

SaleeColour

COMPOUND VALUES

Annual Report 2019 (Form 56-2)

As of 31st December 2019

(Salee Colour Public Company Limited)

<http://www.saleecolour.com>

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1. Policy and Business Overview

Salee Colour Public Company Limited (“Company”) was established on 13th of August, 2003, under a joint venture composed of the Company’s top Management Team and staff led by Mr.Thanetphon Mongkolrat and VIV Interchem Company Group, business opportunities were foreseen according to the continuous expansion in the demand for plastic products. Under the initial registered capital of 40 million Baht, the Company’s objective is to operate a business in manufacturing and distributing colored plastic resin and high concentration color or masterbatch, including colored plastic resin and instant additive, compounds, and dry colorants to entrepreneurs of plastics processing products, namely: plastic bags, consumer and cosmetics packages, and other plastic components like furnitures or electrical goods, etc. Those entrepreneurs will use the Company’s products as part of their manufacturing components in order that their plastics products can be qualified in terms of colors, characteristics, and other requirements. Currently, the Company and affiliates’ operation relies on the factory that is located in Bangpu industrial estate, Samutprakarn with a total production volume at 45,000 tons/ year.

The Company has continuously developed their products with an aim to lead the market in terms of raw materials for all-type of plastic products. Under a concept called “Solution Provider” for entrepreneurs in plastic industry. On 31st October 2005, the Company had expanded it’s businesses by forming a joint venture with Natural Chemical Company Limited, a distributor of plastic resins and additives in order to established Poly Merit-Asia Company Limited under shares, holding the ratio of 30:70 of registered capital at 15 million Baht to manufacture a special-grade filler masterbatch with production volume of 5,000 tons per year.

Before the joint venture, the Company had manufactured and distributed standard-grade filler masterbatch. Therefore, the joint venture in Poly Merit-Asia Company Limited resulted in their expansion into the filler masterbatch business since they can provide customers with a variety of filler grade levels and reach new customer bases.

On 14th June 2011, the Company entered into the listing process with the Stock Exchange of Thailand (SET) of 30,000,000 selling at 2.89 Baht/share. Later, the Company increased the registered capital up to 145,250,000 Baht and adjusted the par value of common stocks from 100.00 Baht to 1.00 Baht, increasing a number of their registered common stocks from 115,250,000 shares to 145,250,000 shares. The Company has been then converted into a public company for Market Alternative Investment (MAI) listing process.

1.1 Policies, Vision, Objectives, Goals, and Strategies of the Company's and Subsidiaries' operation

The Company has applied in an international management standard to let the working process of all departments move forward efficiently; this resulted in the utmost effective review of the vision and strategy every year that has defined the following policies.

“Leader in promoting innovative plastics that enhanced sustainability for quality of life.”

Business Strategy

1. **Build a strong foundation.** Building an organization is a lot like building a house. First, we obtained the right components to build a strong structure; then we set the direction to the goal. Over the years, we are still investing continually even in economic downturn because we believe that there is always an opportunity in every crisis. We are committed in developing our internal systems, people, equipment and machines to meet the various needs for customers.
2. **Use existing resources to maximize efficiency.** in applying advanced technology and innovation that accommodate potential changes. Stakeholder engagement is to understand and to develop leading sustainability strategies; which is not only for business purposes; but also to foresee the long-term relationship in all aspects such as: economy, society and environment. As we believe that collaboration leads to sustainable development.
3. **Focus on developing products and services to meet international standards.** To build customer confidence with our production processes, quality control, until delivery by guaranteed auditing and continuous development. Because we believe that our quality comes from precise objective in every step of the process as we aim to exceed consumer expectation.

1.2 Major Changes and Developments

Three years ago, the Company went through a number of major changes and developments as follows:

In 2017

Month	Details
During the year	1. Operation of Composite Asia Company Limited in July. 2. Completion of warehouse construction and start work in January. 3. The exercise of rights in ordinary shares of directors and employees (ESOP-W1) total 4,384,298.00 shares (stock price 1.2397 Baht) valuing 5,435,215.00 Baht.

In 2018

Month	Details
During the year	1. Mr. Kwanchai Nattaset resigned before the end of the term due to retirement. This was effective from 1st January, 2019, where the Nomination and Remuneration Committee has proposed to appoint Mr. Peerapun Chivapornthip to serve as a replacement director. This was approved by the Board of Directors Meeting 4/2018 on 12th November 2018. 2. The exercise of rights in ordinary shares of directors and employees (ESOP-W1) was on 30th March 2018, total of 1,068,618 shares (stock price 1.2397 Baht) valuing 1,324,765.65 Baht.

In 2019

Month	Details
During the year	1. Has appointed the Risk management Committee and Corporate Governance appointed Mr. Peerapun Chivapornthip is the chairman. This was approved by the Board of Directors Meeting 1/2019 on 25th February 2019.

1.3 Shareholding Structure of the Group

1.3.1 Operation Policy of the Group is classified as below:

- Production of filler and black masterbatch by Polymerit Asia Co., Ltd.
- Production of white, color and other special masterbatch by Salee Colour PCL.
- Production of filler, white and other special masterbatch by Composite Asia Co., Ltd.

1.3.2 Chart of Shareholding Structure of the Group



Information of Subsidiaries, Associates and Related Companies

1. Salee Industry Public Company Limited holds **8.09%** of the Company's shares.
Business type : Manufacturing plastic parts for electronic and electrical appliances
Company Address : 18 Village No.10, Klong See Sub-district, Klong Luang District,
Pathumthani
2. VIV Interchem Co., Ltd. holds **20.92%** of the Company's shares.
Business type : Distribute chemicals
Company Address : 22 Soi Sukhumvit 42, Phra Khanong sub-district, Klong Toey District,
Bangkok
3. Polymerit Asia Co., Ltd - Salee Color holds **100%** of shares.
Business type : Produce and distribute filler and black masterbatch.
Company Address : 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai
Sub-District Mueang Samutprakan District, Samutprakarn Province.
4. Composite Asia Co., Ltd. - Salee Color holds **100%** of shares
Business type : Produce and distribute filler and black masterbatch.
Company Address : 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai
Sub-District Mueang Samutprakan District, Samutprakarn Province.

1.4 Relationships with Business Groups of Major Shareholders

Major shareholders of the Company according to registered book as of 3rd December 2019 are as follows:

Seq.	Name-Surname	Number of shares	% of total shares
1	VIV Interchem Co., Ltd.	123,230,167	20.92
2	Salee Industry Public Company Limited	47,659,633	8.09
3	Mr. Sasis Monsereenusorn	36,687,900	6.23
4	Miss Kanvadee Chivapornthip	30,840,982	5.24
5	Mr. Chaiwat Anankavanit	21,398,100	3.63
6	Mr. Ratthavit Porapakham	19,957,900	3.39
7	Mr. Phaibul Tangtrongsakdi	19,479,100	3.31
8	Mr. Susitak Achariyasombat	19,440,000	3.30
9	Mrs. Kallaya Tangtrongsakdi	19,000,000	3.23
10	Mr. Choosak Techasantisuk	18,000,000	3.06
11	Mr. Sathit Tatawatorn	11,186,100	1.90
12	Mr. Prakit Asawakarn	10,966,935	1.86
13	Mr. Veerakit Apirakprachasin	10,820,000	1.84
14	Mr. Niphon Manomayangkoon	9,000,000	1.53
15	Mr. Watcharachai Mongkolrat	9,000,000	1.53
16	Miss Saranthinee Mongkolrat	9,000,000	1.53
17	Mr. Wichian Srimunintanimit	8,200,000	1.40
18	Mr. Payut Thanawonrak	7,482,000	1.27
19	Mrs. Waroonwan Intoratat	6,857,000	1.16
20	VIV holding Co., Ltd.	6,849,700	1.16
21	Mr. Natthapol Uahwatanasakul	6,753,800	1.15
22	Miss Saowanit Sirikornkarn	6,581,991	1.12
23	Mr. Ekkawoot Chuenchom	6,040,000	1.02
24	Miss Varinpen Thongvanit	5,739,700	0.97
25	Mr. Kwanchai Nuttased	5,281,328	0.89
26	Mr. Thanetphon Mongkolrat	3,613,257	0.61
27	Mr. Chumpol Srilalert	3,550,500	0.60
28	Mrs. Tassanee Wongworrakarn	3,166,900	0.54
29	Mr. Kobchai Chayamarit	3,002,700	0.51
	Total	488,785,693	82.99

2. Nature of Business

The Company was established as a “Solution Provider” for plastic molders/ converters in analyzing mixtures and preparing raw materials in the format of masterbatch and compound, including a preparation for plastic colored powders for further use by customers, consisting of manufacturing of plastic products and providing analysis service and advice on problems and obstacles solving solutions related to all-type plastic products.

Currently, the Company and its affiliates have a capacity volume of 45,000 tons/ year focusing on manufacturing of masterbatch across categories, which can be divided into black and white masterbatch, color masterbatch, additive masterbatch, and filler masterbatch. In this regard, plastic products manufacturers are able to get the Company’s masterbatch, intensive raw materials, mixed with plastic beads at the required proportions in order to manufacture the products that carry characteristics and qualifications in accordance with customers’ requirement and in an acceptable cost.

Apart from the convenience in reducing the steps in raw materials’ preparation, this will also helps save cost in research and development projects, since raw materials in each category can also be divided into minor categories that show a lot of different qualifications. Thus, calculating the type and quantity of each raw material for manufacturing requires knowledge and skills to create mixtures for getting the products with required characteristics and qualifications.

Previously, the Company had a manufacturing line for a variety of compound and masterbatch categories, namely black-and-white masterbatch, color masterbatch, and additive masterbatch, and standard-grade filler masterbatch, which is mostly used to manufacture plastic products that do not require smoothness or leanness of the surface, for example, department store bags that are thicker than 0.015 millimeter, or plastic components that will result in a rough surface when being ironed by standard-grade filler. Also, the Company has invested in Polymerit Asia Company Limited in order to manufacture special-grade filler that can be applied in the high loading amount, which will help save investment costs by focusing on customers who has never used filler masterbatch before. And those who prefer smoothness or leanness of the surface to standard-grade filler like department stores that is less thick than 0.015 millimeters, bags for vegetable and fruits in department stores or film for envelope packages, etc.

Later, after the Company’s increase its investment in the Polymerit Asia Company Limited from 30% to 99.99%, in 2011, the Company adjusted the manufacturing policies by allowing the subsidiaries to operate the manufacturing of filler masterbatch and black masterbatch, ask for support from BOI and received an investment promotion in 2012. Therefore, the Company’s current manufacturing capacity is served for manufacturing white masterbatch, mixed - color masterbatch, and additive masterbatch, including compounds across categories.

Salee Colour Public Company Limited has been one of the leading manufacturers of raw materials for plastic products in the format of masterbatch, compound, and dry colorants in order to distribute them to plastic converters across different categories, such as plastic bags, packaging for consumer and cosmetic products, food packages, including other plastic components like furnitures or electrical devices, etc. These entrepreneurs will use the Company products as components of their raw materials before converting them into plastic products and distributing them to brand owners or involved users.

Revenue Structure

Product	Operated by	% Shareholding	In 2017 Revenue	%	In 2018 Revenue	%	In 2019 Revenue	%
White masterbatch, various colors, additives and compound	Salee Colour and Composite Asia	44.51	493.58	46.87	564.41	50.06	574.20	54.00
Filler masterbatch and black masterbatch	Polymerit Asia and Composite Asia	55.49	559.41	53.13	563.27	49.94	475.35	46.00
Total			1,052.99	100	1,127.68	100	1,049.55	100

2.1 Characteristics of the Company products are as follows:

2.1.1 High Intensity Color Masterbatch

Masterbatch is formed by a process where plastic beads are mixed with colorant and additive or filler that was analyzed and calculated at the proper ratio before getting into the process of melting and ironing for plastic fibers that will be cut into small pieces. They will then be made into masterbatch carrying qualifications in accordance with customers' requirements, including both colors and characteristics. When it comes to the usage, customer must get masterbatch mixed proportionately before starting the process of converting plastic product by various methods, such as extrusion blown film, extrusion, blow molding, and injection molding, etc.

2.1.2 Compound

Compound is formed by a similar process of masterbatch but carries a level of intensity that is ready to use in plastic products without any mixing with plastic brands in order to form a plastic product.

Compound will work out the best in terms of manufacturing process when being compared with the usage of masterbatch or a mixing between each raw material type since compound beads are

already melted into the same texture with plastic beads. Therefore, when applying compound to form the plastic products, customers will not face inconsistent spreading of plastic colors, which is the possible issue when using masterbatch or pigment. This may result from a selection of base resin that is not proper or a spreading of pigment when it is used as the starting raw material. Thus, compound is always used as the manufacturing raw material when it comes to a concern over consistency of colors, such as automobile components or electrical device parts, which require separate hiring of manufacturing teams for each component before combining at the end. Usage of compound will then result in consistent colors when all components are combined.

2.1.3. Dry Colorants

Apart from manufacturing of plastic products in the forms of masterbatch and compound, the Company also manufactures and distributes dry colorants for those who use in manufacturing process by means of proportionate mixing these colorants with other starting raw materials like plastic beads, additives, and filler in order to help form the plastic products. Main products of the Company are group of dye stuff and pigment.

In terms of dry colorants' manufacturing, color of each type can be mixed with each other like dye stuff with dye stuff or across type like dye stuff with pigment in order to achieve dry colorants as most preferred. However, in selecting the colors to be mixed, it requires a concern over suitability of plastic beads that will be used as plastic texture since each color will carry substances that result in different usage qualifications.

Selecting colors for plastic products is regarded as another crucial factor in products' marketing that will influence consumers to pay attention to each product. Thus, the Company places a continuous importance in new colors' development and color matching with an aim not only to distribute to customers in a form of plastic beads for direct manufacturing, but also to develop colors for the Company's masterbatch manufacturing.

2.2 Marketing and Competition

2.2.1 Marketing Characteristics

The plastic-related industry is downstream industries of the petrochemical industry plastic products are used as the main raw materials, which are various plastic pellets according to the requirements of customers. If the properties obtained from plastic pellets are not enough for use, there will be additional improvements such as adding color or adding other chemical additives which are the main products of the Company. Mixed together and then melted to prepare various forming processes, such as injection, extrusion, etc.

In 2019, The plastic industry in the country as a whole slowed down with growth decreasing. while the petrochemical industry has negative growth due to the pressure of the fluctuating oil market a trade war between China and the United States has diminished market demand.

The plastic industry has more clearly changed the market characteristics. Due to the challenge of the increasing plastic waste problem in the oceans around the world. Plastic parts found And micro plastics in a variety of aquatic animals in many countries, leading to a campaign on Of the environment Reducing the use of plastic in everyday use, single use (disposable), such as plastic carry bags, drinking straws, glass, plastic beverages, etc. Narong campaign occurs in a broader and more meaningful way when receiving collaboration from world-class consumer goods manufacturers and beverage restaurants resulting in product manufacturers these reduced orders from foreign countries. In Thailand, there is a campaign and received cooperation from Leading stores in the country as well.

The change is an opportunity for the company to present products that are part of recycle / reprocess as part of an environmental campaign. Preserving the characteristics and aesthetics of plastics after repeated molding.

The environmental campaign also includes a campaign to reduce the use of fossil plastic resins. to reduce carbon dioxide emissions into the atmosphere, which is part of the global warming. At present, there are both the use of pellets from the production process itself. and the use of products of companies in the group Filler & Reinforcement Masterbatches are combined to replace fossil plastic, which is accepted in the plastic industry at home and abroad. and abroad.

Thailand's agricultural sector has developed into organic chemical-free crops, organic systematic crops, in response to domestic consumption and exports to foreign countries due to the trend of health care. And food safe the use of plastic technology for agriculture with knowledge and agricultural technology to encourage farmers to produce good quality products with reasonable costs and safety from pesticides, which is accepted and used more. the company itself focuses on the development of plastic additive masterbatches, black&white masterbatches products. special properties of plastics and help in high concentration production to promote the technology of plastics for continuous agricultural work to meet the basic needs of farmers, such as extending the useful life of agricultural films, including house cover, ground cover and planting bags. Including product development to focus on increasing productivity with knowledge specific and data sets generated by actual experiments of the organization Such as the development of the range selection guidelines light waves to promote the production of plants etc.

For plastic products that need a long life (Durable Articles) in the construction sector or Wire & Cable. demand in Thailand is stable. the extension will be a project of clean-sustainable energy systems. which the government supports, such as the construction of a floating solar panel system starting to

increase in the end of the year. As a result, the demand for plastic products that have to be extrusion blow in order to create a buoyancy supported by solar panels. the company additives masterbatches are suitable for outdoor conditions that require prolonged exposure to water and primary plastic resins. special grade gray color developed from the company knowledge of raw materials selection and color mixing. That requires special expertise, acceptance and is also used as one of projects.

The company mainly sells products in the country. Accounting for approximately 90% of the company's sales revenue in 2019, which focuses on developing the domestic market to have quality products can compete with foreign countries and reduce imports of high-quality plastic products to promote the Thai business sector. the company uses direct sales channels for customers. which are various plastic product processing operators and at present the company is expanding the market to other countries in order to increase distribution potential, reducing risk another slowdown in the country.

2.2.2 Competition

The company evaluates the competitive situation in the plastic industry. Including an increase in the number of manufacturers in Countries, the importation of foreign goods more than usual due to the trade war between China and the United States Which has cheaper import costs from the appreciation of the baht Economic downturn and economic conditions Pressure of raw material prices of volatile petrochemical products directly affect the basic product groups In general, the company has a market share, therefore the company focuses on the development of production in order to create a cost structure for Can compete in this product group And focus on the market development, product expansion in the plastic group Which has more special needs.

Under the “Compound Values,” Salee Colour Public Company Limited and subsidiaries aim to become a leader in raw material supply for plastic products. We are determined to see various and comprehensive products in order to best meet clients’ demands. Our clients include those who want community products, such as black, white and filler masterbatch, and those who look for specific products, such as color and additive masterbatch. We also welcome “made-to-order” demands from customers who want various types of products under one order.

2.3 Raw material and product supply

We supply local raw materials and those imported. To select materials to supply, we take into consideration their quality, costs and shipment time. We import raw materials that cannot be found locally or are more affordable elsewhere as well as import raw materials for purpose of the natural hedge.

We provide the following raw materials to support the production of plastic products.

1) Plastic resin is the key raw material to produce masterbatches and compounds. It accounts for approximately 40-60% of the total costs of the Company's products. There are several types of plastic resin which possess different benefits and qualifications. Different production procedures and product purposes require different types of plastic resin. For example, our LLDPE, HDPE, LDPE, PP, PVC, GPPS and EVA plastic resin that can be used as main raw materials. Majority of plastic resin we supply is produced by local manufacturers, but we also import it from ASEAN countries (which are entitled to tax privileges), such as Singapore and Malaysia. We import raw materials with special qualifications from non-ASEAN countries, such as Japan, Korea, Saudi Arabia and Australia.

2) Colorants are another important raw material of Salee Colour. Mainly, the powdered colorants are used in production process. Our colorants are produced abroad, and we supply them thanks to our local and foreign distributors, taking into consideration the advantage in quality, costs and shipment time.

3) Filler is used to make filler masterbatch and compound. All of the filler we provide is either made or distributed by local suppliers.

4) Additive is used to make additive masterbatch and compound. Our additives are produced abroad, and through local and foreign distributors, taking into consideration the quality and qualifications as key criteria.

5) Others, including dispersing agents, lubricants and processing aids, etc. We supply these raw materials through local distributors and sometimes through export in case of boosting competitiveness in cost of production.

The table shows the value and proportion of raw material procurement in 2018 and 2019.

Category	2018		2019	
	Value (million Baht)	Percentage	Value (million Baht)	Percentage
Plastic resin	377.87	45.47	275.38	41.40
Color	277.20	33.35	258.40	38.84
Filler	62.41	7.51	44.12	6.63
Additives	56.68	6.82	41.80	6.28
Other	56.94	6.85	45.58	6.85
Total	831.10	100	665.28	100

Our raw material purchase strategy focuses on purchases sufficient for one month or one month and a half. Our inventory is aimed at production NOT profit speculation. In 2019, the gross raw material value soared 20%.

The Company emphasizes environment preservation and has always abided by rules and regulations imposed by organizations. The Company has been awarded with the ISO 14001:2015 and OSHA 18001:2007 certifications by SGS (Thailand) Limited. We have dust collectors all over the production and laboratory facilities in order to manage dust pollution occurring in our production, including the dust of diffused raw materials, such as calcium power, carbon powder, fabric pieces with oil stains and contaminated packages and containers. Waste generated during the production process is gathered for Akkhie Prakarn Public Company Limited to pick up and burn with the proper method.

We also have the Occupational Safety, Health and Environmental Committee to be responsible for the safety and management of noise level occurring during production. It also determines the Company's standards to be in accordance with the Occupational Safety, Health and Environment Act B.E. 2535 and measures of hazardous protective equipment wearing for workers on duty in the areas where the noise level could be harmful to their hearing and health. Every year, we employ Safety Plan Company Limited to inspect the workplace environment, noise level, light intensity and heat in our facilities and those of our subsidiaries and produce a report on the inspection in order that we are able to estimate risks and improve the efficiencies of our control system. Besides, we hire Global Environmental Technology Company Limited to examine every month the condition of our wastewater, which has never failed to meet the standards. We also hire C.T. Environment & Chemical Company Limited and Health & Envitech Company Limited to inspect and analyze the quality of dust, fume, light, noise and workplace environment every six months in order to make sure that the standards are met.

For 16 years of operations, we have never been in any conflicts or faced any allegations regarding impacts on environment. We have never been warned or fined by any related regulatory agencies under related regulations, which are the Factory Act, B. E. 2535, and the National Promotional and Reserved Environment Quality Act, B.E 2535, either. We welcome community representatives, officials from the Industrial Estate Authority of Thailand (IEAT), and officials from environment-related state organizations to visit and see our operations and management standards, which we effectively keep in line with the IEAT's rules and regulations throughout the year. We have also been awarded with the level 3 of 'Green Factory Standard,' which affirms how we strictly run our business in line with laws and regulations.

3. Risk Factors

3.1 Risk from increased competition

The economic slowdown both domestic and abroad but the production capacity expansion of the manufacturer is still ongoing causing higher price competition higher domestic costs from wages and raw materials are pressuring the ability to reduce domestic competition. resulting in the entry of products from Vietnam, China and India which causes severe price competition.

Domestic manufacturers have increased the number of new and expanding capacity of existing competitors. Causing more domestic supply Not in the way of growing demand. Causing customers to have more ways to choose products and affect the decision to reduce inventory policy.

3.2 Risk from dependence on raw materials suppliers

The Company has policy to procure raw materials from high credibility leading distributors as well as direct purchase from manufacturers in local oversea market as to support the demand including the shortage of raw materials in emergency case.

Having on board various suppliers offers us more choices for price comparison. At present, our suppliers are capable to provide raw materials which are in line with expected quality and standard, in terms of timing as well. The value of purchase from each supplier is maintain not to exceed 30% of total purchase value.

3.3 Risks from changes of law provision

Nowadays the environment conservation compaigns has huge impact in business operation. Using plastic is one issue of which many countries implemented policy to reduce the use or to encourage consumers to use alternative biodegradable materials. Thailand is a major importer of plastic bags in Asia, having large number of customers. Hence, the risk from changes of law which concerns the reduction of plastic bags worldwide may result in dropping of plastic bag demand.

The Company monitors situation closely and becomes a founding membership of Thai Bioplastics Industry Association in order to follow up latest news, changes in the market, techniques including updates relating to government and taxation system that may have impact in plastic industry in the future. As another approach to maintain business operation, our Research and Development Department constantly conduct a research and development on biodegradable plastic in response to the change of demand among plastic bag users in the future.

4. Operating Assets

4.1 Primary fixed operating asset

As at 31 December 2019, the primary fixed operating asset of the Company and subsidiaries are as follows;

Transaction	Type of ownership	Net value (Million THB)	Obligation
<u>Salee Colour PCL.</u>			
1. Land and structures			
1.1 Head office and factory(s)	Owner	140.83	Mortgaged with domestic financial institution
Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280 Area: Approximately 24 rai			
2. Buildings and Improvements	Owner	198.86	Mortgaged with domestic financial institution
Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280			
3. Machines and Equipment	Owner	345.20	Mortgaged with domestic financial institution (partial)
4. Decoration and Office Equipment	Owner	5.47	- none-
5. Vehicle	Hire	5.41	Under hire-purchase and financial lease contract
6. Intangible Assets	Owner	14.53	- none-
<u>Subsidiaries</u>	Hire	-	- none-
1. Land and structures			
1.1 Head office and factory(s)			
Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280			

Transaction	Type of ownership	Net value (Million THB)	Obligation
Area: Approx. 2,592 sq.m.			
2. Buildings and improvements Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280	Hire	-	- none-
3. Machines and equipment	Owner	10.09	- none-
4. Decoration and Office Equipment	Owner	0.02	- none-
5. Vehicle	-	-	- none-

4.2 Investment Policy and Management in Subsidiaries

The Company has in place a policy to enhance working performance, production capacity, reduce duplication, improve production process, minimize business risks as well as generate significant growth of earnings.

As at 31 December 2019, there are 2 subsidiaries namely;

1. Polymerit Asia Co., Ltd., - the Company holds 100% of paid-up capital value 50 million Baht. Starting operation in 2012 as a manufacturer of filler masterbatch and black masterbatch, Polymerit then received investment promotion from BOI including taxation benefit for a period of 8 years (2012-2020). Polymerit leases factories, machines and warehouses from Salee Colour for operation. Customer base are direct sale to converter groups and distributors. In 2019 the company generated total sale volume of 450 million Baht.

2. Composite Asia Co., Ltd. (Salee Color holds 100% of 15 million Baht registered capital) is established in response to business expansion on special supplementary products. The Company received promotion from BOI including taxation benefit for a period of 8 years from the date of operating. Commenced operations during the year 2017, producing masterbatch types filler, white and additives by renting factory buildings, machinery and warehouses from the company to produce and sell products to big companies, total sales of 250 million baht in 2019.

5. Legal Dispute

Currently, the Company has no legal dispute that may affect asset or business operation.

6. General and Other Significant Information

Company Name	Salee Color Public Company Limited
Securities Symbol	COLOR
Address:	858 Village No. 2, Soi 1C/a Bangpu Industrial Estate, Bangpumai Sub-District Mueang Samutprakan District, Samutprakarn Province 10280
Telephone	(02) 323-2601-8
Fax	(02) 323-2227-8
Website	www.saleecolour.com
Type of Business	Manufacturing of high intensity color masterbatch, additives masterbatch or compound and dry colorants. Registered as a Juristic person under Public Company Law on 17 September 2008 Registration Number Public Company Limited 0107551000282.

Information about Shares

Common Share

Number of shares registered with the SET.	652,343,752 shares		
Number of paid-up shares	588,964,618 shares	voting rights	1: 1
Number of treasury shares	-		
Number of shares with voting rights, less treasury stock			
As of 3 rd December 2019,	588,964,618 shares		

Preferred Shares

Number of shares registered with the SET.	-
Number of treasury shares	-

Securities Registrar	Thailand Securities Depository Co., Ltd. Securities Registration Department 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District Bangkok 10110 Tel. (02) 229-2800 Fax (02) 654-5427
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Auditor

EY Office Co., Ltd.

193/136, Lake Ratchada Building, Ratchadapisek, Klongtoey Sub-district, Klongtoey District, Bangkok
10110

Miss Sumalee Reewarabandit Certified Public Accountant Registration No. 3970 or

Mr. Kritsada Lertwana Certified Public Accountant Registration No. 4958 or

Miss Manee Rattanabannakit Certified Public Accountant Registration No. 5313

Legal Counsel

Nititorn Law Office

100/20 Village No.6 Theparak Road, Bang Muang Mai, Muang Samutprakan District, Samutprakarn
10270

Mr. Chanchai Horadan Attorney-at-Law License No. 2390/2529

7. Securities and Shareholders Information

7.1 Number of Registered and Paid-Up Capital

The Company is listed in MAI Stock Exchange with trading name "COLOR", registered capital of 652,343,752, paid up capital of 588,964,618 Baht, par value of 1 Baht.

7.2 Major Shareholders

1. Major Shareholders

(A) The first 10 major shareholders of the Company according to register book as of 3rd December 2019 namely as follows:

Seq.	Name-Surname	Number of shares hold	Proportion
1	VIV Interchem Co., Ltd. Group	176,005,805	29.88
	VIV Interchem Co., Ltd.	123,230,167	20.92
	VIV Holding Co., Ltd.	6,849,700	1.16
	Miss Kanvadee Chivapornthip	30,840,982	5.23
	Miss Thantida Chivapornthip	1,467,514	0.25
	Mr. Pattanachart Chivapornthip	1,011,214	0.17
	Mr. Suchart Chivapornthip	882,357	0.15
	Mr. Peerapun Chivapornthip	445,257	0.08
	Mr. Prakrit Asawakarn	10,966,935	1.86
	Mr. Charnchai Asawakarn	311,679	0.05
2	Salee Industry Public Company Limited Group	61,454,233	10.43
		47,659,633	8.09
	Salee Industry Public Company Limited	11,109,300	1.89
	Mr. Sathit Tatawatorn	1,777,500	0.30
	Mr. Siraphat Tatawatorn	907,800	0.15
3	Mr. Sasis Monsereenusorn	36,687,300	6.23
4	Mr. Chaiwat Anankavanit	21,398,100	3.63
5	Mr. Ratthavit Porapakkham	19,957,900	3.39
6	Tangtrongsakdi Family	38,479,100	6.53
	Mr. Phaibul Tangtrongsakdi	19,479,100	3.31
	Mrs. Kallaya Tangtrongsakdi	19,000,000	3.23
7	Mr. Susittak Atcharyasombat	19,440,000	3.30
8	Mr. Choosak Techasantisuk	18,000,000	3.06
9	Mr. Veerakit Apirakpracha	10,820,000	1.84
10	Mr. Nipphon Manomayangl	9,000,000	1.53
Total		411,242,438	69.82

(B) Controlling persons on determination of policy, management or operation of the Company according to register book as of 3rd December 2019 namely as follows:

Seq.	List of Shareholders	Number of shares hold	Proportion
1.	<u>Mr. Suchart Chivapornthip Group</u>	34,647,324	5.88
	Miss Kanvadee Chivapornthip	30,840,982	5.23
	Miss Thantida Chivapornthip	1,467,514	0.25
	Mr. Pattanachart Chivapornthip	1,097,014	0.17
	Mr. Suchart Chivapornthip	882,357	0.15
	Mr. Peerapun Chivapornthip	445,257	0.08
2.	<u>Mr. Thanetphon Mongkolrat Group</u>	23,313,257	3.96
	Miss Saranthinee Mongkolrat	9,000,000	1.53
	Mr. Watcharachai Mongkolrat	9,000,000	1.53
	Mr. Thanetphon Mongkolrat	3,613,257	0.61
	Mrs. Pattarin Mongkolrat	1,700,000	0.29
3	<u>Mr. Rach Thongvanit Group</u>	15,142,057	2.57
	Miss Varinpen Thongvanit	5,739,700	0.97
	Mr. Rach Thongvanit	445,257	0.08
	Mrs. Worawan Thongvanit	2,100,000	0.36
	Miss Waroonwan Intoratat	6,857,000	1.16
4.	<u>Group of Mr. Charnchai Asawakarn</u>	11,278,614	1.91
	Mr. Prakrit Asawakarn	10,966,935	1.86
	Mr. Charnchai Asawakarn	311,679	0.05
5.	Mr. Rachan Kaunha	38,679	0.01
Total		84,381,252	14.33

2. Information of shareholders of subsidiaries and shareholding of directors who are a major shareholder

Shareholders of Subsidiaries

Subsidiaries	List of Shareholders	Number of shares hold	Proportion
1. Polymerit Asia Co., Ltd. Registered capital of 50 million Baht divided into 5,000,000 shares 10 Baht each	Salee Color PCL	4,999,998 shares	100%

2. Composite Asia Co., Ltd. Registered capital of 15 million Baht divided into 150,000 shares 100 Baht each	Salee Color PCL	149,996 shares	100%
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Shareholding of Directors who is the Major Shareholder

VIV Interchem Co., Ltd., is a distributor of chemicals such as solvents, monomer, polyurethane, chemical related to animal food, agricultural chemicals etc., and an investor in different companies. As on 31st December 2019, VIV Interchem has registered capital of 150 million Baht, whereby the group of major shareholders is VIV Holding Co., Ltd, owning 91.23% of registered capital. List of shareholders are namely as following:

Seq.	List of Shareholders	Number of shares hold	Porportion (%)
1.	VIV Holding Co., Ltd	1,368,424	91.23
2.	Miss. Pimpa Chivapornthip	44,673	2.98
3.	Mr. Pracha Chivapornthip	31,573	2.10
4.	Miss Pornthip Chivapornthip	13,182	0.88
5.	Mr. Sathit Tatawatorn	12,000	0.80
6.	Miss Kanya Rattantipruek	6,750	0.45
7.	Mr. Teeraphon Asawakarn	3,000	0.20
8.	Mr. Sitthichai Prawongrat	1,500	0.10
9.	Mr. Korranat Chivapornthip	8	0.00
10.	Miss Khemika Chivapornthip	3,778	0.25
11.	Miss Khemnatee Chivapornthip	3,778	0.25
12.	Miss Nattaporn Chivapornthip	3,778	0.25
13.	Mr. Attawoot Chivapornthip	3,778	0.25
14.	Mr. Thanin Chivapornthip	3,778	0.25
Total shares		1,500,000	100

Salee Industry Public Company Limited is a contract manufacturer of plastic parts for automotive industry, electronics and consumer products to oritotype manufacturers and subcontractors such as parts of scanners, printers, IC trays, automotive parts etc. As at 30th December 2019, the Company's registered capital is 380,121,074 Baht, paid-up capital 380,121,017 Baht, dividing into 1,520,484,068 ordinary shares, at the par value 0.25 each.

Seq.	List of Shareholders	Number of shares hold	Porportion (%)
1.	VIV Interchem Co., Ltd.	382,379,652	25.15
2.	Mr. Phaibul Tangtrongsakdi	63,000,060	4.14
3.	Mr. Sathit Tatawatorn	57,406,252	3.78
4.	Mr. Sawet Naratippakorn	54,282,600	3.57
5.	Mr. Lerphong Wongtaweewat	45,258,468	2.98
6.	Miss Kanvadee Chivapornthip	42,315,424	2.78
7.	Mrs. Prapatya Jiwapornthip	42,123,004	2.77
8.	Miss Saranthinee Mongkolrat	38,000,000	2.50
9.	Mr. Susitak Achariyasombat	36,977,200	2.43
10.	Mr. Watcharachai Mongkolrat	35,000,000	2.30
Total		1,014,899,320	66.75

3. Agreement between major shareholders

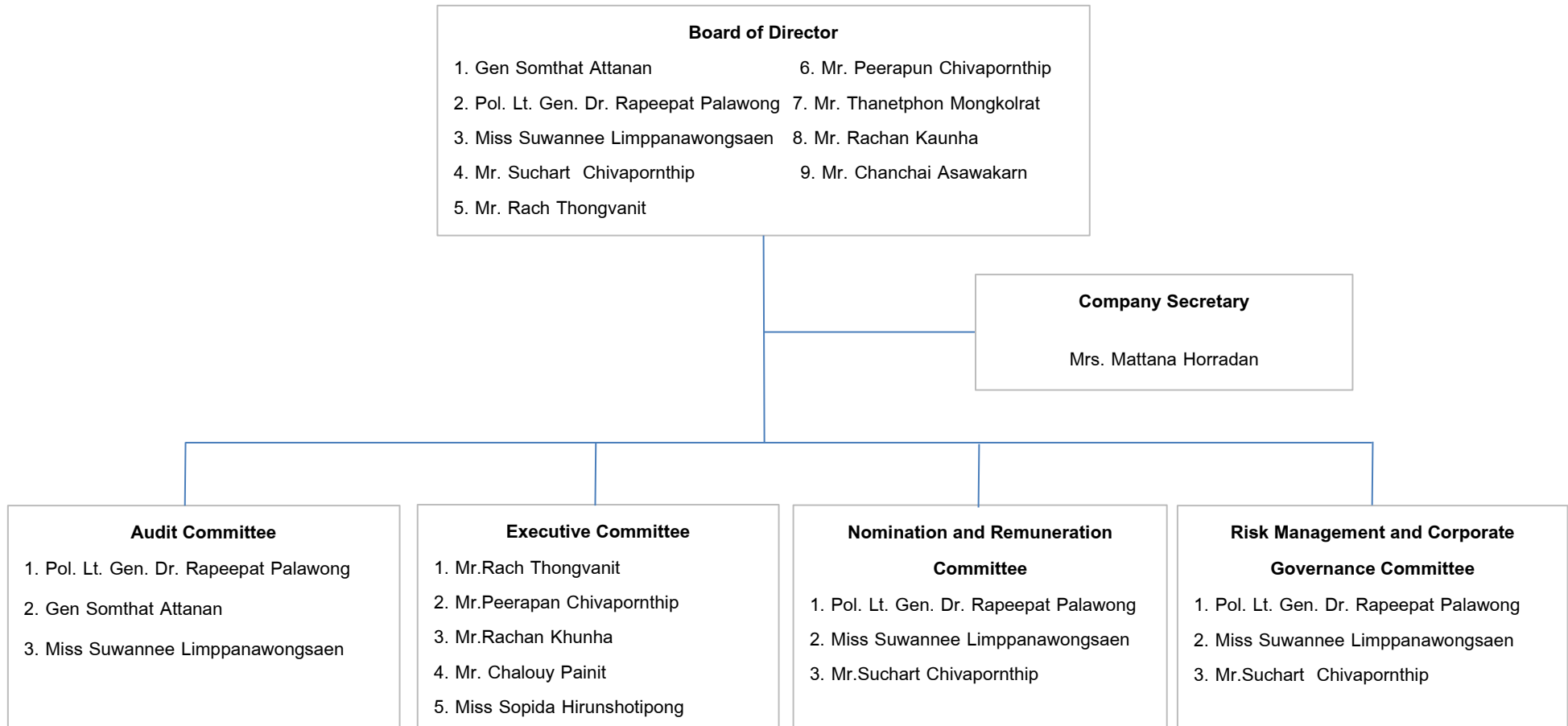
- None -

7.3 Dividend Policy

The Company pays out no less than 30% of its net income according to separate financial statement as dividends after deducting corporate income tax and all provisional reserves required. However, the payment could be less than the aforesaid rate subject to necessity to use working capital, business expansion, and other factors relating to Company's management. When the Board has decided on annual dividend payment, it seeks approval from the shareholders' meeting. An exception is for interim dividend payment, for which the Board can approve such payment and report to the next shareholders' meeting regarding subsidiaries' dividend policy, each subsidiary pays out no less than 30% of its net income according to financial statement as dividends after deducting corporate income tax and all provisional reserves required. Other factors contributed to dividend payment are cash flow, financial status, liquidity and investment plan in each period.

For the operating results for the year 2019, the Company had retained earnings of 33.29 million Baht, Less dividend payment of 23.56 million Baht, net profit of 22.17 million Baht, Less comprehensive loss during the year of 0.78 million Baht, And less legle resever 1.20 million Baht, the Board approved the dividend payment to shareholders for the profit of year 2019 and retained earnings at 0.040 Baht per share, totaling 23.56 million Baht.

Board of Directors and sub-Committees of Salee Color Public Company Limited



8. Management Structure

8.1 Board of Directors

The Board of Directors consists of five committees, namely

- The Board of Directors.
- Audit Committee.
- The Nomination and Remuneration Committee
- Executive Committee
- Risks Management and Corporate Governance Committee

8.1.1 Board of Directors

As at 31st December 2019, the Board of Directors comprised of 9 members namely as follows:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1.General Somatat Attanan	Chairman of the Board of Directors Audit Committee / Independent Director	4	4
2.Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee / Independent Director	4	4
3.Pol.Lt.Gen. Dr. Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	4	4
4.Miss Suwannee Limpanawongsan	Member of Audit Committee Nomination and Remuneration Committee Independent Director	4	4
5.Mr. Rach Thongvanit	Director	4	4
6.Mr. Peerapun Chivapornthip	Director	4	4
7.Mr. Thanetphon Mongkolrat	Director	4	4
8.Mr. Rachan Kaunha	Director	4	4
9.Mr. Chanchai Asawakarn	Director	4	4

Directors Authorized to Sign for the Company

The directors whose signatures are recognized as binding the Company are two out of six directors namely as follow- Mr. Suchart Chivapornthip, Mr. Peerapun Chivapornthip, Mr. Rach Thongvanit, Thanetphon Mongkolrat, Mr. Charnchai Asawakarn, Mr. Rachan Kaunha, - jointly sign and fix the Company's seal.

8.1.2 Audit Committee comprised of 3 members

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen.Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	4	4
2. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director	4	4
3. Miss Suwannee Limpanawongsan	Member of Audit Committee / Nomination and Remuneration Committee / Independent Director	4	4

8.1.3 Nomination and Remuneration Committee comprises of 3 members:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen. Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	1	1
2. Miss Suwannee Limpanawongsan	Member of Audit Committee/ Nomination and Remuneration Committee Independent Director	1	1
3. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	1	1

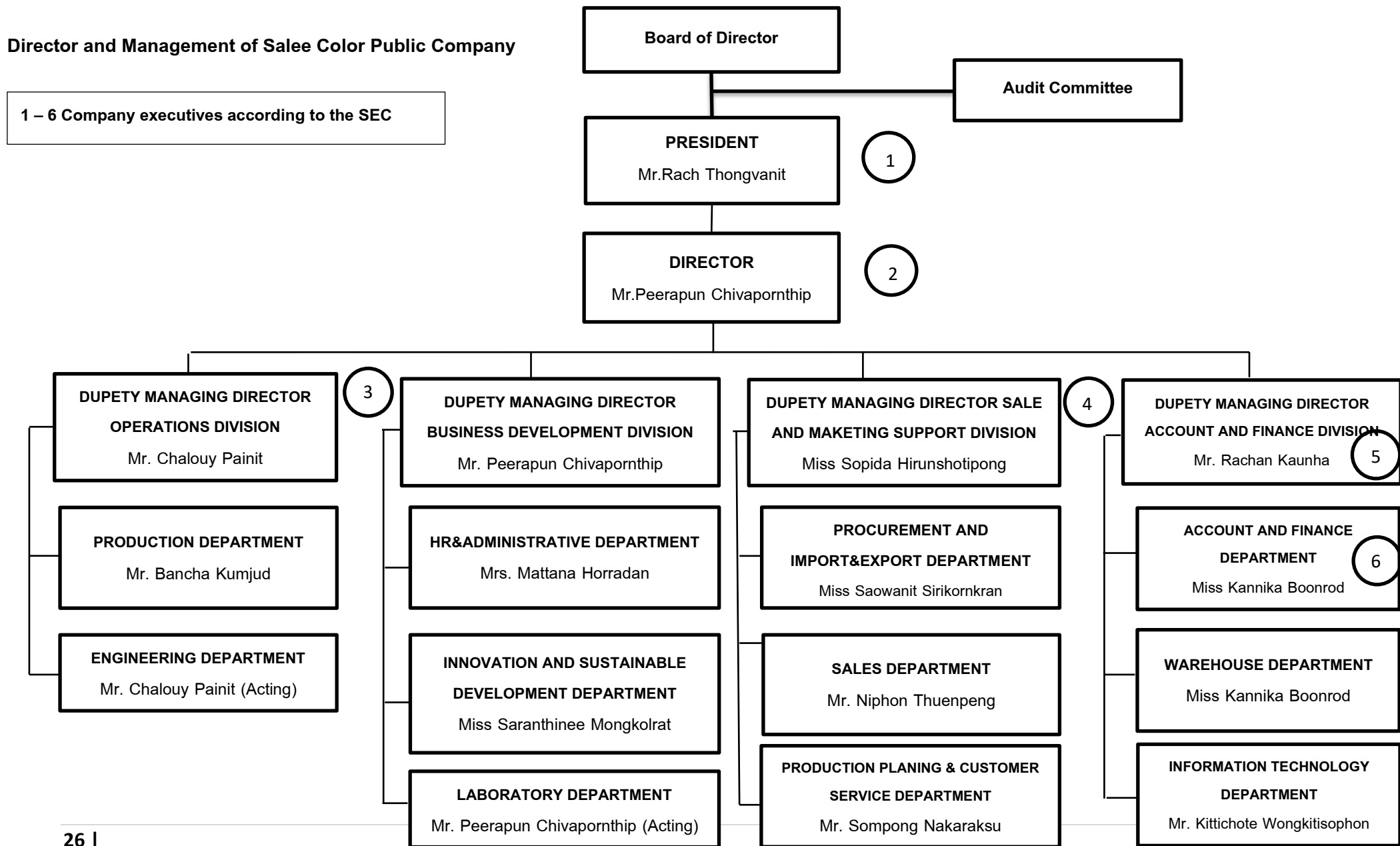
8.1.4 Executive Committee comprised of 5 members

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Mr. Rach Thongvanit	Chairman of Executive Committee	8	8
2. Mr. Peerapun Chivapornthip	Managing Director / Deputy Managing Director Business Development Division	8	8
3. Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division	8	8
4. Mr. Chalouy Pinit	Deputy Managing Director Operations Division	8	8
5. Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division	8	8

8.1.5 Risk Management and Corporate Governance Committee comprises of 3 members:

Name	Position	Committee Meeting	
		Number of meetings	Number of attended
1. Pol.Lt.Gen. Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director	1	1
2. Miss Suwannee Limpanawongsan	Member of Audit Committee/ Nomination and Remuneration Committee Independent Director	1	1
3. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	1	1

Director and Management of Salee Color Public Company



8.2 Corporate Management

Management team as of 31st December 2019 comprises of 13 members namely as follows:

Name	Position
1. Mr. Rach Thongvanit	Chairman of Executive Committee
2. Mr. Peerapun Chivapornthip	Managing Director / Deputy Managing Director Business Development Division
3. Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division
4. Mr. Chalouy Paitit	Deputy Managing Director Operations Division
5. Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division
6. Mr. Bancha Kumjud	Production Manager
7. Miss Saowanit Sirikornkarn	Purchasing and Import-Exporting Manager
8. Mrs. Mattana Horradan	Human Resources and Administration Manager
9. Mr. Somphong Nakarangsue	Production Planning and Customer service Manager
10. Miss Kannika Boonrod	Accounting-Finance Manager
11. Miss Saranthinee Mongkolrat	Innovation and Sustainable Development Manager
12. Mr. Kittichote Wongkitisophon	Information Technology Manager
13. Mr. Niphon Thuenpeng	Sale Manager

8.3 Company Secretary

The Board of Directors has appointed Mrs. Mattana Horradan as a Company secretary since 11st August 2017. Qualifications of the corporate secretary are as appeared in [Attachment 1](#).

The Company secretary shall perform the duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which comes into force on 31st August 2008 with responsibility and due care, honesty, compliance with law, Article of Association and objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. The legal duties of the Company Secretary are as follows:

1. Preparing and keeping Register of the Company's directors, meeting notification letter and minutes of the Board of Directors meeting including annual reports, meeting notification letter and minutes of the shareholders meeting.
2. Keep reports of interest submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.

3. Perform other duties as specified by the Capital Markets Supervisory Board such as disclose information to shareholders and relating persons by complying to followings rules and regulations:

3.1 Regulations of Stock Exchange of Thailand concerning conditions and procedures disclosure of information and activities of listed companies

3.2 Notification of the Stock Exchange of Thailand concerning the practice about information disclosure of listed companies

3.3 Regulations of the Stock Exchange of Thailand concerning preparation and submission of financial statement and report of financial status and operation result of the listed companies B.E. 2544.

3.4 The Notification of the Securities and Exchange Commission, Thailand Subject: Rules, Conditions and Procedures for Disclosure of Information to Protect the Benefits or Interests of the People B.E. 2005 (announced on 9th May 2005) onwards.

8.4 Remuneration of Directors and the Management

(1) Monetary remuneration

Attendance fee	Monthly compensation/person	Amount / person (Only the directors attending the meeting)	Amount for the Board
Board of Directors - Chairman of the Board - Director	- None	35,000 Baht / meeting 30,000 Baht / meeting	Up to 2,000,000 Baht per year
Audit Committee - Chairman of the Board - Director	- None	25,000 Baht / meeting 20,000 Baht / meeting	Up to 500,000 Baht per year
Nomination and Remuneration Committee - Chairman of the Board - Director	- None	15,000 Baht / meeting 10,000 Baht / meeting	Up to 150,000 Baht per year
Director commission	Up to 3 million Baht, under the consideration of the Board of Directors.		

Directors' remuneration consists of meeting attendance fee, paid in accordance with the number of attendances in 2019 as follows:

Name	Position	Director Remuneration (Baht)				
		Audit Committee	Nomination and Remuneration Committee	Board of Directors	Commission	Total
1. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Director	80,000	-	140,000	150,000	370,000
2. Pol. Lt. Gen. Dr. Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Director	100,000	15,000	120,000	150,000	385,000
3. Miss Suwannee Limppanawongsaen	Audit Committee / Nomination and Remuneration Committee/Director	80,000	10,000	120,000	150,000	360,000
4. Mr. Suchart Chivapornthip	Vice Chairman of the Board / Nomination and Remuneration Committee	-	10,000	120,000	150,000	280,000

Name	Position	Director Remuneration (Baht)				
		Audit Committee	Nomination	Board of Directors	Commission	Audit Committee
5. Mr. Rach Thongvanit	Chairman of Executive Committee/ Director	-	-	120,000	150,000	270,000
6. Mr. Peerapun Chivapornthip	Director	-	-	120,000	150,000	270,000
7. Mr. Thanetphon Mongkolrat	Director	-	-	120,000	150,000	270,000
8. Mr. Rachan Kaunha	Director	-	-	120,000	150,000	270,000
9. Mr. Charnchai Asawakarn	Director	-	-	120,000	150,000	270,000
Total		260,000	35,000	1,100,000	1,350,000	2,745,000

Directors and Management Remuneration

In 2019 the Company and subsidiaries paid remuneration which salary and bonus for executives of 13 persons, totaling 23.10 million baht by consists short-term, post- employment benefit and share-based benefit payment, totaling 33.12 million Baht. (2018 = 26.34 million Baht)

Other remuneration of directors

2.1 Directors are entitled to claim for banquet fee as considered appropriate. In 2019 the Company compensated a banquet fee amount to 565,359.64 Baht.

2.2 The company cars are assigned to 7 director(s)/executive(s) as follows:

Name	Position	Car series	Rent / Month (Baht)	Year of rental	End of rental	Rental company
Mr. Rach Thongvanit	Chairman of Executive Committee	BENZ GLE	80,250.00	4 years	1 June 2020	Thai Rent A Car (1978) Co., Ltd.
Mr. Peerapun hivapornthip	Managing Director	Honda Accord Hybrid 2.0	35,845.00	4 years	1 December 2020	
Mr. Rachan Kaunha	Deputy Managing Director Account and Finance Division	Toyota Camry Hybrid 2.5 Premium	30,602.00	5 years	1 March 2022	
Mr. Chalouy Painit	Deputy Managing Director Operations Division	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	Krungthai Carrent & Lease PCL
Miss Sopida Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	
Mr. Thanetphon Mongkolrat	Directors and Advisor	Toyota Camry Hybrid 2.5 V	31,565.00	4 years	1 Aug 2020	Thai Rent A Car (1978) Co., Ltd.
Mr. Nipon Thuenpeng	Sale Manager	Toyota Altis 1.6 g	16,050.00	4 years	6 Jan 2023	Krungthai Carrent & Lease PCL

2.3 Provident Fund

The Company has set up a provident fund for management team in which respect monthly contributions will be made by employees at the rate of 3% of their monthly salaries. In 2019, the Company contributed 618,722.40 Baht to provident fund of management team from 13 people.

2.4 An Employee Stock Ownership Plan (ESOP)

The Extraordinary General Meeting of Shareholders held on 11st December 2012 approved the offering of 15,000,000 warrants to executives and employees (ESOP) to motivate and reward the directors and employees of the Company and its subsidiaries for their work performance and to retain talented and efficient personnel to work with the Company in the long run, as well as to create a share in the ownership of the Company

On 17th June 2013 the Company issued 14,895,000 warrants to the management and employees (ESOP) where the criteria and method of allotment is based on position and working duration of each person. The warrants are exercisable with 1 warrant for 1.2906 common shares. The exercise price is 1.2397 Baht per share (subject to change after right adjustment). Total 19 directors and management of the Company received the warrants to purchase, representing 40.68% compared to total warrants issued.

Directors and / or employees of the Group can exercise their right to purchase the Company's ordinary shares twice a year on the last business day of the financial institution in March and September of each year. The first exercise date is 30th September 2014 and the last exercise date is on 30th March 2018. The exercise price will be in the following amount:

In 2014: Exercise not more than 10% of allotted amount

In 2015: Exercise not more than 25% of allotted amount (include exercised right in 1st year)

In 2016: Exercise not more than 45% of allotted amount (include exercised right in 1st -2nd year)

In 2017: Exercise not more than 70% of allotted amount (include exercised right in 1st -3rd year)

In 2018: All remaining right can be exercised.

8.5 Personnel

The Company and its subsidiaries have total 308 staffs. In 2019, the Company and subsidiaries paid 109.61 million Baht remuneration to their personnel which included salaries, OT, allowances, diligent payment, bonus and other welfares. The Company has set up a provident fund for its staff in which respect monthly contributions will be made by the Company at the rate of 3%. In 2019, the Company contributed 1.75 million Baht to employee provident fund.

- Number of employees of the Company and subsidiaries

2019	Amount / person
- Offices	60
- Production Line / Warehouse	235
- Management	13
Total	308

The Company has allocated 15,000,000 units of warrants to purchase ordinary shares to directors and employees (ESOP) or COLOR-ESOP-W1 as incentives and rewards for performance of the directors and employees of the Company and its subsidiary as to support their dedication and effort in making highest benefit and to share the ownership of the Company. The criteria and method of allotment is based on position and working duration of each person. A unit of warrant has the right to purchase 1.2906 ordinary share, with price 1.2397 Baht each (subject to the change after right adjustment). Total 70 employees received warrants, representing 59.32% of total warrants issued.

- Major Labor Disputes over the past 3 years.

- - None -

9. Corporate Governance

9.1 Corporate Governance Policy

Board of Director realize the importance of Corporate Governance to develop and promote the company to be an effective organization for management have business ethics able to create good benefit for shareholders and other interested parties as well as creating sustainable value for the business and promote the corporate Governance principles for listed companies in the year ,2017 by Securities and Exchange Commission to adapt to suit the business context of the company Therefore has reviewed and determined the corporate governance policy as follows:

1. Realize the role and responsibility of the board of directors as an organization leader that creates sustainable value for the business
2. Define objectives and key goals of the business that are sustainable
3. Strengthen the board of directors
4. Recruiting and developing senior management and personnel management
5. Promote innovation and responsible business practices
6. Ensure that there is an appropriate risk management and internal control system

7. Maintain financial reliability and disclosure of information.

8. Supporting participation and communication with shareholders.

Provided that there is communication in order to have the actual implementation according to the policy Including following up, evaluating and reviewing the practices annually

To comply with the "Corporate Governance Committee ,2017", the Committee has applied the principle as a practice guideline in our business operation. In the Board of Directors' meeting No. 4/2019 dated 11st November 2019.

In 2018, the Company has established "Innovation and Sustainability" to study and follow the new rules of the Stock Exchange and Securities Regulatory Office in order to enable the company to have an effective, transparent and auditable management system that will help build confidence for shareholders and investors that have a stake and all related parties, which adds value and promotes sustainable growth of the company.

9.2 Subcommittee

The Company has 5 board of subcommittee namely Board of Director Committee, Audit Committee, Nomination and Remuneration Committee, Executive Committee and Management, and Risk Management Committee.

9.2.1 Board of Directors

As of 31st December 2019, the Board of Directors comprised of 9 members namely as follows:

Name	Position
1. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director
2. Pol.Lt.Gen.Dr.Rapheepat Palawong	Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director
3. Miss Suwannee Limppanawongsaen	Member of Audit Committee/ Nomination and Remuneration Committee / Independent Director
4. Mr. Suchart Chivapornthip	Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee
5. Mr. Rach Thongvanit	Chairman of Executive Committee/ Director
6. Mr. Peerapun Chivapornthip	Director
7. Mr. Rachan Kaunha	Director
8. Mr. Thanetphon Mongkolrat	Director
9. Mr. Charnchai Asawakarn	Director

Scope of Authority and Duties of Chairman of Executive

- 1) Responsible as the leader of the board in monitoring the administration of the board and subcommittee.
- 2) Being a chairman of the Board of Directors meeting and chairman of shareholders meeting of the company.
- 3) Being a cast to vote in the event that the Board of Directors' meeting has a vote and two equal votes.
- 4) Assess the performance of the top management only in the position of managing director. In order to consider adjusting the annual compensation by taking into account the responsibilities to the company.

Scope of Authority and Duties of the Board of Directors

- 1) Supervise and determine major policy of the Company concerning business operation, finance, funding, capital management and risk management.
- 2) Consider any investment by means of approving budget for any investment project and supervise to ensure the project will be proceeded in line with work plan set forth.
- 3) Supervise business operation to meet or get beyond the target set forth and determine solutions in case of any issues in order to achieve the target or get beyond the target.
- 4) Provide to have general reports and financial report to submit to shareholders, stakeholders or general investors accurately, in timely manner and in accordance with the law.
- 5) Acknowledge the important audit report prepared by the audit committee of internal control and audit unit, including auditors and advisors of the Company. Determine guidelines for improvement in case of material defects is found.
- 6) Review the adequacy and appropriateness of corporate internal control and risk management.
- 7) Formulate high level executives of the Company to maintain continued succession plan.
- 8) Appoint members of the Audit Committee, provide opinion on authority, duties of the audit committee. Appoint one or more director to act on behalf of the board. However, the authorized person shall not have the power to approve any transaction that he/she or a person that may have conflict of interest ("Person that may have conflict of interest" shall be defined as described in Notification of the Securities and Exchange Commission), stake holding or any other form of conflict of interest with the Company or a subsidiary.
- 9) Voting at the board of directors' meeting Must have not less than 2 in 3 of the total number of directors

The following matters can be carried out when receive approval from the shareholders' meeting only. A director is not entitled to vote for any transactions in which he/she may have conflict, interest or conflict of interest with the Company or a subsidiary.

- The matter required by law to receive resolution of the shareholders' meeting.
- A transaction which a director has interest and to the extend of the law or required by the Stock Exchange to be approved by the shareholders' meeting.
- The following matters shall receive not less than three-fourth of total votes of the shareholders attending and have voting right.
 - Disposal or transfer of material part or whole business to another person.
 - Acquire or receive transfer of other public or private company.
 - Preparing, amending or terminating agreement of leasing material part or whole of the business.
 - Assignment other person to manage Company's business or merging with other person with objective to share profit.
 - Issue new shares to repay Company's debtors according to 'Debt to Capital Project'
 - Decrease of company's capital by reducing number of shares or share value.
 - Capital increase, decrease, issuance of debentures, merger or dissolution.
 - Any other matters as required by law.

9.2.2 Audit Committee

The audit committee as of 31st December 2019 consisted of 3 members namely as below:

Name	Position
1. Pol. Lt. Gen.Dr. Rapheepat Palawong	Chairman of the Audit Committee Chairman of Nomination and Remuneration Committee / Independent Director
2. General Somatat Attanan	Chairman of the Board of Directors / Audit Committee / Independent Director
3. Miss Suwannee Limppanawongsaen*	Audit Committee Member of Nomination and Remuneration Committee / Independent Director

* **Miss Suwannee Limppanawongsaen** has competent knowledge and experience to audit the reliability of the financial statement. She is graduated from accounting faculty, Thammasart University and her work experience involved directly in accounting field.

Scope of Duties and Authority of the Audit Committee

Scope duties of "The Audit Committee" are as follows:

- 1) Review the accuracy and disclosure of financial reports by liaising with external auditor and company management team. Prepare quarterly and annual financial report.
- 2) Review to ensure the Company's internal control and audit are adequacy and efficient by coordinating with external auditor and internal auditor (if any).
- 3) Review business operation of the Company to ensure the compliance with law relating to securities and stock exchange, regulation of the Stock Exchange or law relating to Company's business operation.
- 4) Select and nominate Company's auditor, consider the auditor's remuneration based on reliability, adequacy of resources and quantity of auditor work, including experience of the assigned person. Attend the meeting with Company's auditor without the management at least once a year.
- 5) Consider in disclosure of corporate information in case of related transaction or a transaction that may have conflict of interest to ensure the accuracy and completeness.
- 6) Perform any other tasks as assigned by the Board, upon opinion of the Audit Committee for example, review financial management policy, risk management policy, review the compliance to business ethics among the management. Coordinate with the management in reviewing material reports which required by law to be published to public domain which are management discussion and analysis etc.
- 7) Prepare audit committee's activity report by disclosing in the annual report which shall be signed off by chairman of the audit committee. The said report shall consist of:
 - Opinions on preparation procedures and disclosures, and the accuracy which considered reliable information in financial report of the Company.
 - Opinions on the adequacy of Company's internal control system.
 - The reason to believe that the Company's auditor is qualified to be appointed for another term.
 - Opinion on compliance with Securities and Stock Exchange law or any law provision relating to Company's business operation.
 - Opinion on transaction that may contain conflict of interest.
 - Number of the Audit Committee's meeting and the attendance of each member.
 - Opinion or overall observations of which the audit committee gain from performing their duties according to the charter.
 - Any other, as considered by the audit committee, that should be acknowledged by shareholders and general investors under the scope of duties and responsibilities

assigned by the board of directors to ensure the efficient performance of the committee.

The audit committee may seek for independent opinion from advisor of other profession when deemed necessary at own cost of the Company.

Qualifications of the Audit Committee and Independent Director

- 1) Hold not more than 1 % of the voting shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including the shares hold by related parties of the independent director.
- 2) Does not or has not been a committee related to operation management, staff member, employee, consultant with fixed salary or controlling person of the Company, its parent company, subsidiaries, joint-ventures, a subsidiary of the same level or a juristic person that may have conflict of interest unless being retired from the position at least 2 years prior to the appointment.
- 3) Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, management candidate, or influential person of the Company or its subsidiaries.
- 4) Does not or has not related in business operations with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
- 5) Does not or has not been the auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent director, management executive, or shareholder of auditing office where the auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
- 6) Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent director, management executive or management share of such professional, for the past 2 years prior to the appointment.
- 7) Evaluate the auditor and consider the annual audit fee to present to the board of directors meeting.

- 8) Review financial statements monitoring of risk management operations and follow up the internal audit as well as making related transactions to be in accordance with the policy.
- 9) Is not a director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the company
- 10) Does not possess any other features that would affect independent opinion regarding Company's operations.

9.2.3 Executive Committee and Management

As of 31st December 2019, the Executive Committee and Management comprised of 5 members namely as follows:

Name		Position
1. Mr. Rach	Thongvanit	Chairman of Executive Committee
2. Mr. Peerapun	Chivapornthip	Director
3. Mr. Rachan	Kaunha	Deputy Managing Director Account and Finance Division
4. Mr. Chalouy	Painit	Deputy Managing Director Operations Division
5. Miss Sopida	Hirunshotipong	Deputy Managing Director Sale and Marketing Support Division

Scope of Authority and Duties of the Executive Committee

- 1) The executive committee is authorized to make decisions on important operations of the Company by determining scope, categories or size of the business, objectives, direction and policy within the assigned extend, as well as oversee the overall operations, productivity, customer relations and be responsible to the Board.
- 2) Consider the business expansion, disposal and acquisition of fixed asset and propose to the board.
- 3) Authorized to carry out action and represent the Company to the third party in related activity which is beneficial to the Company.
- 4) Consider the funding and propose to the board.
- 5) Approve the appointment of consultant necessary to Company's business operation.
- 6) Carry out tasks related to general business management.
- 7) Approve action plan for each department and grant approval on requests which is out of authority of particular department.

Regarding the delegation of duties and responsibility of the executive committee, the authorized person shall not have the power to approve any transaction that he/she or a person that may have conflict of interest ("Person that may have conflict of interest" shall be defined as described in Notification of the

Securities and Exchange Commission), stake holding or any other form of conflict of interest with the Company or a subsidiary the approval for the said transaction shall be proposed to the board of directors' meeting and/or shareholders' meeting for consideration and approval pursuant to Company's articles of association or as stipulated by law, except the approval on normal business course of the Company which is in line with policy and criteria approved by the board.

Determination of Authority of Credit Limit

Executive committee has authority to approve the credit limit as specified by the board of directors as follows:

- 1) Executive committee has the authority to approve the purchase-sale of goods and assets in the amount of not more than 50 million Baht. For credit value exceeds 50 million Baht, the audit committee shall propose to the board of directors' meeting for approval.
- 2) Managing director has authority to approve the purchase-sale of goods and asset within value 10 million Baht. For credit value exceeds 10 million Baht, the audit committee shall propose to the board of directors' meeting for approval.

Management Team

As at 31 December 2019, the management team comprised of 8 members namely as follows:

Name	Position
1. Mr. Bancha Kumjud	Production Manager
2. Miss Saowanit Sirikornkarn	Purchasing Manager
3. Mrs. Mattana Horadan	Human Resources and Administration Manager
4. Mr. Somphong Nakarangsu	Production Planning Manager
5. Miss Kannika Boonrod	Accounting and Financial Manager
6. Miss Saranthinee Mongkolrat	Innovation and Sustainable Development Manager
7. Mr. Kittichote Wongkitisophon	Information and Technology Manager
8. Mr. Nippon Thuenpeng	Sale Manager

Scope of Duties and Authority of Executive Committee and Management

- 1) Control and oversee business operation and/or general management of the Company.
- 2) Carry out or perform work in accordance with policy, work plan and budget approved by the board and or executive committee of the Company.

- 3) Has authority to approve and assign the approval duty on disbursement for procurement of assets and services for the interest of the Company. Such approval is for transactions made under normal business course with credit not exceeding the value as specified by the board.
- 4) Has authority to issue order, rules, notifications, memorandum to achieve work policy and bring about corporate interest as well as to maintain strict discipline within the Company.
- 5) Authorized to carry out action and represent the Company to the third party in related activity which is beneficial to the Company.

9.2.4 Nomination and Remuneration Committee

Nomination and Remuneration Committee as of 31st December 2019 comprised of 3 members:

Name	Position
1. Pol. Lt. Gen. Rapheepat Palawong	Chairman of the Board
2. Miss Suwannee Limppanawongsaen	Director
3. Mr. Suchart Chivapornthip	Director

Scope of Authority and Duties of the Nomination and Remuneration Committee

- 1) To set forth policies as follows:
 - 1.1 Policy, criteria and procedures of nomination of director or top executive of the Company, from vice managing director.
 - 1.2 Policy on payment of remuneration and other benefits to directors or top executive of the Company, ranking from managing director, shall be explicit, transparent in order to propose to the board for approval.
- 2) Select and propose qualified person to undertake positions below and propose to the board.
 - 2.1 Director (Addition / Substitution / Retirement).
 - 2.2 Top executive, ranking from managing director.
- 3) Oversee to ensure the directors or top executives, ranking from managing director receive appropriate remuneration suitable to their duties and responsibilities.
- 4) Determine guideline for performance assessment of top executives (managing director only) in order to refer to the consideration of annual remuneration adjustment, based on duties and responsibilities to the Company.

9.2.5 Risk Management and Corporate Governance Committee

As of 31st December 2019, the Risk Management and Corporate Governance Committee comprised of 3 members namely as follows:

Name	Position
1. Pol. Lt. Gen. Rapheepat Palawong	Chairman of the Board
2. Miss Suwannee Limppanawongsaen	Director
3. Mr. Suchart Chivapornthip	Director

Scope of Authority and Duties of the Risk Management Committee directors

- 1) Propose the risk management policy and risk management oversight of the company. Monitor and assess the company's risks to be effective and at an acceptable level.
- 2) Establishing strategies in accordance with risk management policies by being able to assess, monitor and supervise the company's risks to be at an appropriate level.
- 3) Control, monitor and assess risk management result, oversee to ensure the compliance to risk management policy and director set forth by the Company.
- 4) Review the adequacy of risk policy and management system which shall include the efficiency of the system as well as compliance to the policy set forth.
- 5) Propose risk management and control, monitor and assess such risks to maintain at optimized level.

9.3 Nomination and Appointment of the Board of Director and Top Executives

For the person who will undertake position in the board and top executives, the nomination and remuneration committee shall consider is comprised of 2 member independent director from nomination and remuneration committee is comprised of 3 member responsible for recruiting qualified persons to be appointed as directors of the Company to replace the directors whose term has expired or in other cases and propose to the board of directors to consider the person who will be nominated to be elected by the shareholders' meeting with guidelines for nomination of directors taking into account.

- Able to devote time and create benefits.
- Honest and qualified as a director in accordance with the rules of the SEC.
- Experience managing other organizations.
- Concept and the constant change of the modern world.
- Have experience, knowledge, expertise, specific skills that can enhance knowledge and the experience of the committee in the absence.
- Not operating or as a director or being an executive in a competitive business organization.

- Dare to speak and dare to express opinions reasonably.
- Have ideology, can work as a team and have a culture with directors.

9.3.1 Audit Committee / Independent Director

The audit committee/ independent director is appointed in the shareholders' meeting. The committee board is comprised of 3 members, each holding a term of 3 years. At least one member of audit committee shall have competent knowledge and experience in accounting and finance to be able to review the reliability of the Company's financial statement.

9.3.2 Directors and Top Executives

The board of directors is to nominate executive committee which is comprised of at least independent director 2 members, by nominate executive committee which is comprised of at least 3 members selecting from member of the board of director or a competent person who must not be a member of audit committee. The duties of executive committee are to manage business operation as assigned by the board. And propose to shareholders meeting select the directors in accordance with the following:

- 1) In voting for the election of directors, it is considered that each shareholder has a vote equal to one share per one vote.
- 2) In voting for the election of directors to vote for each director individually In which all shareholders have the right to vote, select each candidate individually.
- 3) The persons receiving the most votes in descending order the candidates shall be ranked in order equal to the number of directors to be elected at that time. In the event that persons receiving votes in respective orders receive equal votes and the number of directors to be exceeded the chairman of the meeting has an additional vote as the deciding vote.

In the event that the position of the committee becomes vacant Due to reasons other than the completion of the term from the position of director The Committee shall consider appointing persons having qualifications and not having any prohibited characteristics as according to the law to replace them in the next committee meeting. Unless the term of office of a retired director is less than 2 months, the person in replacement can hold the position only for the remaining term of the director he replaces. the resolution to appoint a person to replace the aforementioned director must receive a vote of not less than 3 in 4 of the remaining directors.

For the recruitment of a managing director or more The Executive Board will be the primary consideration. In screening the recruiting of qualified and qualified persons Have knowledge, skills, and experience that are beneficial to the company's operations And understand the company's business very well And able to manage work to achieve objectives The target set by the Board of Directors and present

to the Nomination and Remuneration Committee to consider the selection And proposing to the Board of Directors for further consideration and approval.

9.4 Corporate Governance of Subsidiaries

Since Salee Colour holds 100% of shares in its 2 subsidiaries, therefore, it has the right to apply the same management principles to these subsidiaries. By resolution of the board of directors' meeting, the executive committee and management are appointed as a director and director authorized to sign in accepting and implementing the same management policy, and to supervise requirement of related transaction, disposal or acquisition or leasing of assets or any transaction of these subsidiaries correctly. These subsidiaries also accept the same policy on information disclosure and related transaction, including the information storage and bookkeeping for accountability and possibility to prepare financial statement in timely manner.

In addition, in the case of a subsidiary the company requires the person appointed by that company. Must supervise the subsidiary company There are regulations regarding connected transactions. Acquisition or distribution or rent out assets or complete any other important transactions of the subsidiary company correctly and use rules related to disclosure And the above transaction is the same as the company's rules Including supervising the data storage And the accounting records of the subsidiaries so that the company can inspect and collect to prepare the consolidated financial statements in time as well.

9.5 Internal Information Management

Salee Colour maintains internal information under Good Corporate Governance, having policy that Directors and Executives are committed to report the changes of their asset holding to the Office of the Securities and Exchange Commission pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from date of such changes, and give notice to the Company secretary for recording and summarizing number of securities under ownership of directors and executives individually. The circular letter is sent to the management to inform that those who receive internal material information which affect the changes of securities price shall refrain from securities trading during 1month period prior to the financial statement or internal information will be published to the public. The management is also prohibited to disclose such information to any other person.

The company has a rule prohibiting the disclosure of financial statement information. Or other information that may affect the price of the company's securities that is known to outsiders or those who are not involved the company secretary will provide notification via the mobile phone system to the directors. And executives are prohibited from trading in the securities for one month before the financial statements or other information that affects the price of the company's securities will be publicized. And must not trade the company's securities until after the 24 hr. Since all information has been disclosed to the public.

The discipline penalty is set forth for those who seek benefit from using or disclosing internal information and causing damage to the Company. The penalty is conducted in different approach as the case may be such as verbal warning, written warning, probation, dismissal, discharge or terminates the employment etc.

Information disclosure the board of directors has policy to disclose significant corporate information, financial and non-financial information accurately, adequately, in timely manner and with easy access. In addition to the publication channels as specified by the Stock Exchange of Thailand and Office of Stock Exchange and Securities Commission, the Company has determination to disclose key information that may have impact on making decision among shareholders or any information that may affect securities price of the Company. This key information is disclosed through various channels of the Stock Exchange and Company website, as well as public domains with easy access to information.

9.6 Auditor's Fee

The Company and subsidiaries appointed EY Office Co., Ltd., as an auditor, with the remuneration for year 2019 as follows:

- Audit Fee

Salee Color PLC.	1,250,000.00 Baht
Polymerit Asia Co., Ltd.	380,000.00 Baht
Composite Asia Co., Ltd.	340,000.00 Baht
Total	<u>1,970,000.00 Baht</u>

- Other service fee (BOI)

BOI Polymerit Asia Co., Ltd.	100,000.00 Baht
BOI Composite Asia Co., Ltd.	100,000.00 Baht
Total	<u>200,000.00 Baht</u>
Total All	<u>2,170,000.00 Baht</u>

9.7 Compliance to Good Corporate Governance in Other Matters

Good Corporate Governance of Salee Colour is as follows:

1. Rights of Shareholders

The Company has in place the policy to promote and support the awareness of shareholders' right and the exercise of their rights as followings:

The adequate information, date, time, location and meeting agenda including all matters related to decision-making in the meeting are timely provided to shareholders in advance. The notice of the meeting which clearly specifies information on agenda items are sent to shareholders at least 7 days or 14 days prior to the meeting date, as the case may be. Furthermore, the notice of the meeting is also published in newspaper at least 3 days prior to the meeting date, as well as the company also publishes information

through the Stock Exchange of Thailand. and on the corporate website at least 30 days before the meeting in order to allow shareholders adequate time to study the information prior to the meeting date.

- 1.1 The proxy form is sent together with notice of the meeting as to support the exercise of right of shareholders in case one cannot attend the meeting in person.
- 1.2 Allow shareholders to share their opinions and ask questions prior to the meeting date and allow shareholders to give their opinions and questions in the meeting.
- 1.3 At least half members of total directors are required to attend the shareholders' meeting in order to provide answers in the meeting, and at least one member of audit committee is required to attend the meeting as well.
- 1.4 The chairman of the meeting shall clarify criteria of voting, right to vote, in which person of interest shall abstain from voting on the particular agenda, including the rights of shareholders to oppose the resolution of each agenda.
- 1.5 Prepare minutes of the meeting with adequate, accurate and explicit information, by clarifying the issue asked by shareholders together with explanation of directors on each question.
- 1.6 Disclose the minutes of the meeting through electronic channel of the Stock Exchange of Thailand and the corporate website in order to allow shareholders to review without waiting for report in hard copy which shall be submitted for certification in the next meeting.

2. Equal Treatment to Shareholders

The Company has valued the equality among groups of shareholders, including executive and non-executive shareholders, as well as minor and foreign shareholders, as follows:

- 2.1 Disclose information about the shareholders' meeting to all shareholders equally and shall not add any agenda without advance notice if not necessary.
- 2.2 Allow shareholders who cannot attend the meeting to assign proxy holder with the information related to voting decision.
- 2.3 All shareholders are allowed to share their opinions and ask questions prior to the meeting date and during the meeting.
- 2.4 All shareholder shall exercise their right to appoint director individually.
- 2.5 A shareholder who is a director or executive shall disclose information about their interest and related persons, and shall abstain from voting in the matter in which one has interest in.
- 2.6 The board and management shall acknowledge their duty to inform the change of their securities holding to the Office of Securities and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange B.E. 2535.

2.7 The Board, senior executives and employees with access to corporate internal information are prohibited to disclose such information to external person or irrelevant person and shall refrain from trading securities of the Company within 1 month prior to the public disclosure of quarterly and annual financial statement.

3. Role of Stakeholders

The Company issues policy to promote the cooperation between the Company and groups of stakeholders which are shareholders or financial supporters, customers, vendors, employees of all levels and communities surrounding etc. as to enhance business operation and to strengthen sustainable growth. The Company always realizes the rights of stakeholders as stipulated by law, and has implemented policy to ensure all groups of stakeholders are treated equally, as follows:

Stakeholders	Treatment
Shareholders	The Company has strong determination to be a good model of business operation, as well as to create best satisfaction among shareholders, and to disclose information with transparency and reliability.
Employees	All employees are treated equally, provided with provident fund, training course, proper compensation rate and have quality working environment.
Vendors	The Company values the fair treatment to vendors which are in line with trading conditions as previously agrees, and also has in place, policy to create and maintain relation with vendors continuously.
Customers	Salee Color takes responsible to its customers by maintaining quality and standards of products and services, and response to meet customer's requirement as complete and comprehensive as to create satisfaction in a long term.
Competitors	The Company conducts business to the extend of fair competition and aims to grow the market for mutual benefit in the industry.
Creditors	The Company complies to the agreement conditions and provide any information as required by creditors.
Community / society	Salee Color is committed to the responsibility in preventing impact from our business operation on environment, communities and societies. The Company continuously complies to the relevant law and rules and also implemented policy to create/develop positive relationship with communities.
Government	Placing the importance on transparent business operation, Salee Color expresses its intention on anti-corruption to government officers to facilitate its business convenience or benefit. In stead, the Company focuses on paying tax in accordance with requirement and timeline as stipulated by law.

4. Disclosure and Transparency

The board of directors has policy to disclose significant corporate information, financial and non-financial information accurately, adequately, in timely manner and with easy access. in addition to the publication channels as specified by the Stock Exchange of Thailand and Office of Stock Exchange and Securities

Commission, the Company has determination to disclose key information that may have impact on making decision among shareholders or any information that may affect securities price of the Company. This key information is disclosed through various channels of the stock exchange and company website, as well as public domains with easy access to information.

Responsibilities of the Board

1. Structure of the Board

The board of directors has total 9 members, including 6 non-independent directors whereby the 3 members are from executive committee and another 3 are shareholder representatives. Remaining are independent directors from audit committee, having duty to balance the voting power and to review performance of the management to ensure the Company's benefit is highly achieved. The board of directors comprises directors who have knowledge, expertise and experience in various fields that fits well with the Company's nature of business.

The Company recognizes that the chairman of the board and managing director shall be different person, in order to prevent the unlimited power. The board will determine duties and nominate chairman of the board and managing director.

The Company secretary has duties to provide legal consultant and regulations of which should be acknowledged by the board members, oversee activities of the Board and coordinate to ensure the compliance to resolution of the board.

2. Subcommittee

The board of directors appoints 4 subcommittee to assist in corporate governance namely below:

- 2.1 Audit committee consists of 3 non-executive independent directors, having term of office up to 3 years as specified by the board of directors.
- 2.2 Executive committee consists of 4 members from the board and management
- 2.3 Nomination and remuneration committee consists of 3 members from the board and audit committee.
- 2.4 Risk management and Corporate governance committee consists of 5 members from the board and management.

3. Roles, Duties and Responsibilities of the Board

The board of directors comprises of members who are knowledgeable and expert in business operation, qualified persons from various fields. With their independency in auditing corporate operation, the board of directors are responsible for determination of vision, mission, strategy, financial target, risk, work plan and budget, as well as for oversee, control and manage to ensure the management carry out work in line with policies and planned schedule efficiently and effectively.

The board of director has prepared the code of conduct and disseminated among the board members, management and all employees for compliance. Details are summarized as follow:

3.1 Code of Conduct for Business Ethics

- Business practice
- Corruption policy

3.2 Code of Conduct for Boad of Director

- Legal compliance and related regulations
- Conflicts of interest
- Access to information data.
- Prevent the Corporate assets

3.3 Code of Conduct for Stackholders

- Corporate Social Responsibility and Environment Practices
- Policy to treat shareholders
- Policy to treat Employee
- Policy to treat Customer
- Policy to treat Suppliler
- Policy to treat Competitors

3.4 Ensure compliance with the Code of Business Ethics

3.5 Accepting business ethics complaints

3.6 Business ethics violation

3.7 Communication and disclosure

To make a decision in a matter with conflict of interest, the board of directors stipulates that a director or executive who is a shareholder shall abstain from voting in such matter in order to enhance the freedom of making decision. The information then shall be disclosed to the public immediately for transparency of our Company.

Furthermore, the Company hired outsource personnel as an internal audit unit to review and maintain corporate internal control and to review significant transactions on regular basis to ensure that the corporate system is optimized, promoting the credibility of financial statement. Moreover, the performance of internal audit unit will be reviewed by the audit committee covering operation result, compliance control, risk management and paying attention to irregular transactions.

4. Board Meetings

The board of directors' meeting is hold on regular basis, at least every three months. Meeting agenda and supplementary document shall be sent to all board members at least 7 days in advance in order to allow directors to study and analyze information in proper time frame. Including communication to prevent the trading of the company's securities during 1 month before the financial statements or other information that affects the price of the company's securities to the public. And must not trade the company's securities until after the 24hr. period has elapsed since the information has been disclosed to the public the company secretary overseeing the board activities, record minutes of the meeting, keep the records in proper place which can be checked afterward.

Attendance of the Board of Directors' meeting for the year 2019 is summarized as follows:

Name	Number of attendance / Number of meetings in 2019			
	Audit Committee	Nomination Committee	Board of Directors	Attendance of the shareholders' meeting
1. General Somatat Attanan	4/4	-	4/4	1/1
2. Pol. Lt. Gen. Dr. Rapheepat Palawong	4/4	1/1	4/4	0/1
3. Miss Suwannee Limppanawongsaen	4/4	1/1	4/4	1/1
4. Mr. Suchart Chivapornthip	-	1/1	4/4	1/1
5. Mr. Chanchai Assawakarn	-	-	4/4	1/1
6. Mr. Thanetphon Mongkolrat	-	-	4/4	1/1
7. Mr. Peerapun Chivapornthip	-	-	4/4	1/1
8. Mr. Rachan Kaunha	-	-	4/4	1/1
9. Mr. Rach Thongvanit	-	-	4/4	1/1

5. Board Self-Assessment

The Company determines to have Board self-assessment regularly, at least every 1 time per year in order to consider on any improvement, where criteria of assessment are prepared for comparison the assessment document is divided into 3 sets as follows:

No.1 Board self-assessment (Group)

No.2 Board self-assessment (Individual)

No.3 Sub-committee self-assessment (Group)

In the year 2019, the evaluation result of the committee Sub-committee and executive committee are as follows:

Detail	point
Board self-assessment (Group)	95%
Board self-assessment (Individual)	95%
Sub-committee self-assessment (Group)	96%
executive assessment	93%

6. Directors and Management Remuneration

Directors' remuneration is "meeting allowance", which must be on average rate compared to the same industry and by taking into account the adequacy of duties and responsibilities of directors.

On the other hand, Management will receive annual salaries and bonuses based on the corporate operation result. The annual remuneration of the board of directors and management must not be unnecessary high compared to the average return of listed companies. Realizing the maximum benefit of the shareholders, the directors' remuneration must be approved by the annual general meeting of shareholders every year.

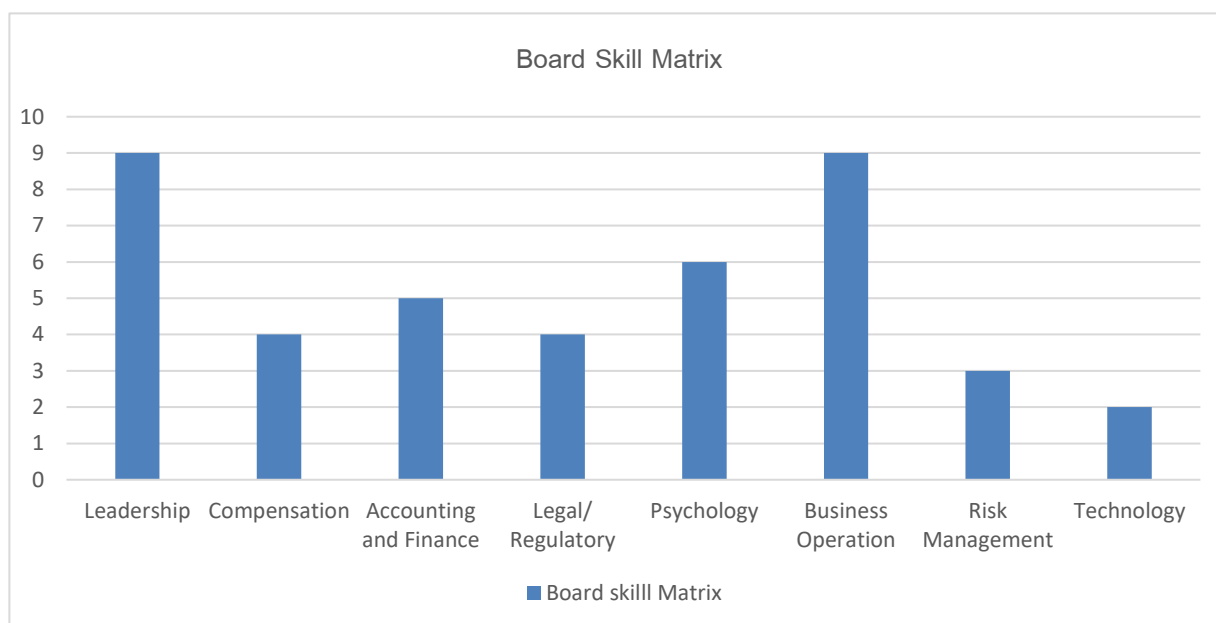
7. Development

The Company has in place, the policy to provide training for personnel in corporate governance to assure the work performance will be continuously improved, document and work plan are set in accurate system in order that the succession person can carry on work without construction in case of change of a director.

Training of Directors and Executives

No.	Name	Curriculum
1.	Mr. Chanchai Assawakarn	• Curriculum: NDC. No. 61 The National Defence College.
2.	Mr. Peerapun Chivapornthip	• Curriculum: ISP No. 117 The Institute of Security Psychology • Curriculum: Advance retail management 2019
3.	Miss Suwannee Limpanawongsan	• Curriculum: Strategic Financial Leadership Program 2018
4.	Mr. Rachan Kaunha	• Curriculum: Transfer Pricing 2019

Board Diversity



10. Corporate Social Responsibility

10.1 Overview

We are determined to run a successful business in accordance with corporate governance and long-term corporate social and environmental responsibility and take into utmost consideration the benefits for all groups of stakeholders. Our corporate social and environmental responsibility measures address the following eight principles:

1. Business Operation with Virtues

In business operations, we are determined to abide by the competition virtues of honesty and fairness; the laws and the company's ethics. We comply with competition rules and equality and benefits are fairly shared between both parties.

2. Anti-corruption Policy

Our business operations strictly comply with transparency and righteousness, and at the same time we have anti-corruption policies. We also run activities that encourage our executives and employees to respect relevant laws and regulations. Any mission accomplished with any forms of corrupt manner is unacceptable. The company's board of directors has drawn up "Anti-Corruption Guidelines."

3. Respect for Human rights

With our utmost respect for human rights, we treat employees, business partners, dealers, and other people with equality and fairness, while preventing them from committing any human rights violation. We oppose any form of discrimination, for example we have a foreign labor program in line with Thailand's

labor laws. In addition, we employ an appropriate number of disabled employees, which is higher than the compulsory number. These employees are treated with fairness in accordance with The Empowerment of Persons with Disabilities Act B.E. 2550.

4. Fair treatment for Employees

As the most valued asset of the organization, all staff members are treated fairly and ethically. Remuneration and work hours are in compliance with the laws, and occupational health and safety are among our priorities. We have established the Occupational Safety, Health and Environmental Committee to make sure that the ISO14001 and OHSAS18001 Environmental Management Standards are met. (The company has been awarded with the ISO14001 and OHSAS18001 certifications by SGS (Thailand) Limited.) In addition, the company has appointed a welfare committee. Acts as a medium to convey the welfare needs of employees to the company. In order to create a suitable welfare that meets the needs of employees that will help reduce conflicts and create good relationships between the company and employees

5. Consumer Responsibility

Our business operations are properly integrated in order to deliver valuable products and services to customers. By 'value focus' we mean products and services that give customers the benefits they need.

6. Environmental Care

The company educates all levels of staff about the society and environment, so that together we can improve and take care of society and the environment throughout our organization. Our operations are properly integrated in order that the existing resources can be deployed to produce maximum effectiveness and efficiencies.

7. Participation in Community and Social Development

This applies, not only to business expansion, but we also emphasize the improvement of employees' well-being and the well-being of the community along with social and environmental quality, such as our fair remuneration package and ethical management, the savings cooperative, and the promotion of occupational health and safety in the workplace. We also run several activities thanks to the cooperation with nearby communities, including Children's Day parties at local schools, mangrove forest planting, and the big cleaning day project with community. We also provide regular support and participation in local activities.

8. Innovation and Promotion of CSR innovation

We aim to become an organization of innovation. In order to create a sustainable competitive advantage. In the year 2018, the company was awarded the "Outstanding Industry of the Year 2018

Industry Category Potential" from the Ministry of Industry. The company has a long-term goal to create product innovation and new services to happen.

10.2 Preparation of reports

We do not manage only our business but also the environment in line with the ISO14001 environmental standard. We have been awarded with the ISO14001:2018 certification by SGS (Thailand) Limited, which outlines the effective environmental management guidelines and ensures the following subjects:

- Control over the cause of environmental impacts occurring during operations.
- Operations in compliance with Environment-related Laws and Regulations.
- Continuous boost of effectiveness in environmental management.

We also run environment-related activities, in which we encourage staff members to participate. These activities include:

10.3 Business Operations that affect Corporate Social Responsibility

- -None-

10.4 Activities for Social and Environmental Benefits

In addition to our normal business operations, every year we execute plans and allocates a budget to support socially responsible activities, including energy saving as well as educational and religious support. Using the information, we gain from our employees whose hometowns are in rural areas, we also provide support for local schools in need, for example we donate school essentials, in order to encourage youngsters and promote their education. As for production, the company has been working to improve efficiencies, reduce energy consumption, and systematically manage unsatisfying products in order that the existing resources are consumed effectively.

Anti-corruption Guidelines

The company has a policy to conduct anti-corruption. By establishing written guidelines in "Policy on Anti-Corruption" which has already been approved by the board of directors.

Anti-Corruption Policy

The board of directors, management team, and staff are prohibited from undertaking any action that involve corruption whether making direct or indirect benefits for whoever covering family, friends, and other acquaintances. Corruption also means any types of bribery; an offering, giving, promising or agreeing to give money, assets, or other inappropriate benefits to the government or private sectors involved with business operations or other contacts. Everyone is required to comply with the anti-corruption policy strictly.

Roles and Responsibilities

1. The board of directors is responsible for considering and approving the policy and supporting the Company's anti-corruption act in order to affirm that everyone in the Company intensively understands and are concerned about the problems arising from corruption. Furthermore, in a case where the audit committees report corrupt acts that affect the Company, the board of directors are responsible for giving advice and recommendations for punishment and working together to find solutions for the president.

2. Roles and Responsibilities of the Audit Committees

2.1. To consider the anti-corruption policy raised by the managing director and make revisions to ensure that the policy fits into the Company's business environment and culture before presenting the final policy set to the board of directors for their final approval.

2.2. To assess any changes in the anti-corruption policy offered by the managing director and the Company secretary and do the presentation to the board of directors for their final approval.

2.3. To review reports on internal control systems and make risk evaluations relating to corruption according to the internal audit department's proposal. This is to ensure that these systems will minimise risks leading to corruption that will affect the Company's financial status and performance and fit into the Company's business operation patterns.

2.4. To hear and record any clues relating to corruption that internal personnel are involved with and to verify the facts being heard and to inform the board of directors for their assessment on what penalty to give or to provide other applicable solutions.

3. Roles and responsibilities of internal audit unit

3.1. To act as the internal auditing plan defines and present the board of directors a report on internal system verification and control and risk assessments related to corrupt acts caused by the internal system verification process

3.2. To act per the audit committees' designation regarding corruption verification relating to the organization besides the internal auditing plans previously defined.

4. Roles and responsibilities of the managing director

4.1. To stipulate the anti-corruption policy and present it to the audit committees

4.2. To communicate the policies to personnel and related parties in the organization

4.3. To review the anti-corruption policy to make sure it fits into new business practices or the principle of law and presents it to the audit committees

4.4. To assist the audit committee in searching for more facts regarding complaints or other assignments from the audit committee relating to corruption investigations. In this regard, the president is allowed to assign work to the management team that has potential to search for related facts or clues.

Policy on Anti-Corruption in Attachment 5 of the Annual Registration Statement 2019 (56-1)

Note: The company has prepared the SD Report for the year 2019, published on www.saleecolour.com

11. Internal Control and Risk Management

11.1 Summary of the board of directors' opinions on the company's internal control and management.

The board of directors' first meeting of 2019 On 25 February 2019 and was also joined by three members of the audit committee. Together, they completed the sufficiency evaluation form based on the internal control information of Salee Colour Public Company Limited they gained from the management team. The evaluation outcome showed the company's improvement in five aspects of internal controls as following:

1. Business Operating
2. Risk Management
3. Control and Operating
4. Technology and Information
5. Monitoring

The committee agreed that the internal control system of the company is sufficient and appropriate. We have employed A.S.K.N. International Audit Services Company Limited, which have always provided us with useful advices, and we have continuously improved our internal control and management accordingly. In addition, we have established our own internal audit department to work with the outsourced internal auditors and improved the internal control system in accordance with the independent internal auditors' suggestions. The improvement is then presented to the audit committee.

In order to effectively implement the system and to improve the internal control system of the company to be in accordance with the recommendations of independent internal auditors and presented to the audit committee meeting Including having an internal control system for monitoring, supervising the operations of subsidiaries to protect the Company's assets and subsidiaries from the misuse of directors or executives without authority including transactions with persons who may have conflicts and connected persons sufficiently for internal control on other topics. The board of directors agreed that the Company has sufficient internal control as well.

11.2 The Audit Committee's opinions which are different from opinion of the Board or the Auditor's suggestion on any matters related to internal control.

- -None -

11.3 Chief of Internal Audit Unit and Chief of Corporate Compliance

At the 4/2010 meeting of Audit Committee, which took place 24 November 2010, the company appointed A.S.K.N. International Audit Services as its internal auditors, effective from 1 July 2010 onwards. The company appointed Mr. Nattapon Sriboonruangrit to be the key person in charge of the internal audit operation.

The Company's audit committee took into consideration the qualifications of A.S.K.N. International Audit Services and Mr. Nattapon Sriboonruangrit. Thanks to their independent operation and six years' experience in internal audit for companies running business similar to that of the company, we agreed that they have sufficient necessary qualifications for the responsibility. At the same time, we also appointed Mrs. Jirawan Kamchad as our own internal auditor who would work with the outsourced auditors.

Any consideration, approval, appointment, dismissal or transfer of internal auditors for the company must be approved by the company's Audit Committee. The qualification of the internal auditor is shown in Attachment 3.

12. Related Transactions

Summary of transactions between the company & subsidiaries and the individuals with whom there were potential conflicts of interest in 2018 and 2019. Details are provided below.

VIV Interchem Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
VIV Interchem Company Limited	VIV Interchem Company Limited has a 20.92% stake in the company. Mr. Suchart Chivapornthip and Mr. Chanchai Asawakarn are common directors.	1. Product Sales 2. Product purchases 3. Trade receivables 4. Trade payables 5. Consultation fee	25.15 0.08 2.52 - -	7.45 0.49 0.31 0.31 -	- The company sold products and raw materials (as in Transaction 1 and 3) to VIV. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. - Average cost-plus margin at 5-10% <u>Opinion of the Audit Committee</u> - These transactions generated benefits for the company's operations. - Trade activities were reasonable under normal trading conditions

Divers Chemical Co., Ltd.

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and Necessity
Diverse Chemical Co., Ltd. ("DIV")	Common directors are namely: Mr. Rach Thongvanit and his family which are daughter and son-in-law, holding 2.43% of shares in SALEE COLOR.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	5.95 62.40 1.34 21.29	5.49 31.70 0.41 4.01	The company sold masterbatches (as in Transaction 1 and 3) to DIV, which is a supplier of chemicals. Under normal circumstances, DIV buys products from our company to distribute. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. The cost-plus margin pricing model, as specified by our company, was applied to the products that could not be compared with those sold to other non-related external parties. The company purchased raw materials (as in Transaction 2 and 4) from DIV, to support the normal production process. DIV, which is a supplier of chemicals, is Thailand's only distributor of these chemicals. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. <u>Opinion of the Audit Committee</u> • These transactions generated benefits for the company's operations. • Trade activities were reasonable under normal trading conditions

Salee Industry Public Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Salee Industry Public Company Limited ("SALEE")	Salee Industry Public Company Limited has 8.09% stake in the company. Mr. Suchart Chivapornthip and Mr. Chanchai Asawakarn are directors.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	0.03 - 0.03 -	6.27 0.01 - -	- The company sold raw materials (as in Transaction 1 and 3) to SALEE. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. - The company purchased raw materials (as in Transaction 2) from SALEE. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties. <u>Opinion of the Audit Committee</u> - These transactions generated benefits for the company's operations. - Trade activities were reasonable under normal trading conditions

Salee Printing Public Company Limited

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Salee Printing Public Company Limited ("SLP")	Salee Industry Public Company Limited has 65% stake in the company. And Mr. Suchart Chivapornthip are directors.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	0.19 0.66 - 0.13	- 0.21 - -	• The company purchased raw materials (as in Transaction 2) from "SLP" Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties.

Petchsiam (Thailand) Co., Ltd

Related company/person	Relationship	Transaction	Transaction value in 2018 (Million baht)	Transaction value in 2019 (Million baht)	Reason and necessity
Petchsiam (Thailand) Co.,Ltd	Salee Industry Public Company Limited has 75.5% stake in the company.	1. Product sales 2. Product purchases 3. Trade receivables 4. Trade payables	2.77 - 0.20 -	2.71 - 0.64 -	The company sold raw materials (as in Transaction 1 and 3) to Petchsiam. Trade conditions and prices were in line with those of normal trade activities performed with other non-related external parties.

Inter-transaction Approval and Process

Inter-transactions were considered and approved by the company's board of directors. In the past, we, as a limited company, were yet to impose rules and regulations on inter-transactions, and the process took into consideration the highest benefits for the company and transactions were compared with transactions with external parties. At present, the company has inter-transaction procedure and policies, under which executives and stakeholders were not allowed in the consideration/ approval process. The audit committee must also consider and deliver their comments on those transactions.

Policy or Trend of Future Related Transactions

1. Related - transactions with the individuals where there are potential conflicts of interest

PolyMerit Asia Company Limited: Our company will maintain inter-transactions with this subsidiary, including the sublease of lands and buildings as well as other services, such as infrastructure, product quality control, lending program for subsidiary, product & raw material sales and purchases, and OEM. Our company, as the major shareholder of PolyMerit Asia Company Limited, is also a guarantor of PolyMerit Asia Company Limited when taking loans from financial institution.

VIV Interchem Company Limited: VIV Interchem Company Limited is an importer and distributor of chemicals. Therefore, there are potential inter-transactions, such as product & raw material sales and purchases. These inter-transactions support or are part of our company's normal business operation.

Salee Industry Public Company Limited: Salee Industry Company Limited is a manufacturer of plastic parts and packages used in electronic devices, electrical appliances and for industrial purposes. Therefore, there are inter-transactions, such as product & raw material sales and purchases, and OEM. These inter-transactions support or are part of our company's normal business operation.

Diverse Chemicals Limited: Diverse Chemicals Limited is an importer and distributor of chemicals. Therefore, there are potential inter-transactions, such as product & raw material sales and purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

Salee Printing Public Company Limited: Salee Printing Public Company Limited is a manufacturer of widely recognized for its innovations and highquality self-adhesive products. such as product purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

Petchsiam (Thailand) Co., Ltd: Petchsiam (Thailand) Co., Ltd is a plastic factory making household products. such as product purchases. These inter-transactions support or are part of our company's normal business operation. In the future, consultancy fees will be eliminated.

2. Future related-transaction policy

When the company involves in any inter-transaction process with a third party where there are potential conflicts of interest, the company requires that the Audit Committee provide comments on the transaction's necessity and suitability. If the Audit Committee has no expertise in the area of a particular potential inter-transaction, the company assigns independent specialists or its own auditors to provide comments on the inter-transaction. These comments will be taken into consideration by the board of directors or stakeholders, as the case may be.

The company's inter-transaction policy can be divided into the following categories.

➤ Transactions as part of normal business operation and transactions to support normal business operation, such as product sales & purchases and OEM: The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction, under which benefit transfers are not allowed. Trade and pricing conditions must be fair compared with those of transactions between the company and common people, transactions between individuals where there are potential conflicts of interest with the individuals, and transactions similar to those carried out by other entrepreneurs in the industry. The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction on a quarterly basis. The process must be in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to the disclosure of related transactions.

➤ Other transactions apart from the above transactions as part of normal business operation and transactions to support normal business operation, such as transactions in regard to assets, other forms of services, or giving & receiving financial support. The Company assigns the audit committee to be in charge of the consideration process and provide comments on the reasons and necessity of the transaction. The process must be in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to the disclosure of related transactions and the acquisition or disposition of core assets of the company or its subsidiaries. Loans to individuals are prohibited where there are potential conflicts of interest and where the individuals will capitalize on the loans to run their own business or manage operations instead of the company.

The committee's practices are in accordance with securities-related and the Stock Exchange of Thailand-related laws and regulations, the Stock Exchange of Thailand's obligations, announcements, orders and regulations, as well as regulations in regard to related transactions and the acquisition or disposition of core assets of the company or its subsidiaries, so that the approved transaction will not trigger conflicts of interest but generate the most benefits for all shareholders. Inter-transactions are disclosed in the annual data report (Form 56-1), the Company's annual report, and notes attached to financial statements that have been audited by the Company's auditors.

In 2011, the Company imposed additional regulations in regard to the Company or its subsidiaries' products that are sold to individuals with conflicts of interest and that contain specific features and cannot be compared with products sold by the Company or its subsidiaries to common people, because the distribution of these products may cause benefit leaks out of the Company or its subsidiaries and account and financial distortion, which may pose damages to the Company and its shareholders.

To ensure the clarity and transparency of the Company and its subsidiaries' operations, we have determined the core-plus pricing policy for products sold to the individuals with conflicts of interest when the products cannot be compared with those sold to common people. Details are provided below.

Product Type	Cost Plus Pricing (Cost Plus)
• Product purchased and sold with no production involved.	>1%
• Specific products produced in large numbers (more than 500kg.)	>10%
• Specific products produced in large numbers (less than 500kg.)	>30%

The cost-plus pricing strategy is based on the standard costs as specified by the Company's finance and accounting department. If the above cost-plus price is considered incoherent with the actual cost and the sale/purchase value exceeds THB 20,000 per quarter, the reasons of the transaction in question must be reported in detail to the audit committee, which will consider the necessity and suitability.

In addition, in the audit committee meeting No. 4/2018 on 12 November 2018, it was resolved to amend the definition of product categories in the category of "In the case of goods being purchased and sold without going through the production process" is "in the case of products that are not processed" because the company sells products that pass through the grinding process. But still not processed to increase clarity and ease of understanding.

13. Financial Highlights

Auditor, Summary of Auditor's Report and Auditor Remuneration

Auditor

In 2017, Miss Sumalee Reewarabandith, Certified Public Accountant No. 3970, EY Office Co., Ltd.

In 2018, Miss Sumalee Reewarabandith, Certified Public Accountant No. 3970, EY Office Co., Ltd.

In 2019, Miss Sumalee Reewarabandith, Certified Public Accountant No. 3970, EY Office Co., Ltd.

Summary of the auditor's report for the year 2017 - 2019

In 2017, the Auditor expressed his opinion in Auditor's Report as follows:

I consider that the financial statement referred above as at 31 December 2017 and operation result and cash flow for the same ending date of financial year of Salee Color and subsidiaries show accurate financial status in accordance with material requirement of financial report standard.

In 2018, the Auditor expressed his opinion in Auditor's Report as follows:

I consider that the financial statement referred above as at 31 December 2018 and operation result and cash flow for the same ending date of financial year of Salee Color and subsidiaries show accurate financial status in accordance with material requirement of financial report standard.

In 2019, the Auditor expressed his opinion in Auditor's Report as follows:

I consider that the financial statement referred above as at 31 December 2019 and operation result and cash flow for the same ending date of financial year of Salee Color and subsidiaries show accurate financial status in accordance with material requirement of financial report standard.

Salee Color Public Company Limited

Statement of Financial Position

(Unit: Million Baht)

As at 31 December 2019, 2018 and 2017

Statement of Financial Position	2019	2018	2017
Asset			
Current assets			
Cash and cash equivalents	9.76	7.22	6.84
Trade and other receivables	231.09	235.03	225.63
Inventory	248.56	290.21	240.80
Vat to reclaim	25.20	24.64	21.29
Other current assets	0.93	2.24	1.66
Total current assets	515.54	559.33	496.23
Non-current assets			
Property, plant and equipment	713.81	731.31	760.19
Intangible assets	14.53	2.77	2.97
Deferred tax assets	6.26	3.67	1.54
Other non-current assets	10.16	7.70	4.54
Total Non-Current Assets	744.76	745.45	769.24
Total assets	1,260.30	1,304.78	1,265.47

Statement of Financial Position	2019	2018	2017
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from banks	300.09	290.98	218.61
Accounts payable and other payables	149.36	193.55	205.26
Long-term loans from banks with maturity within one year	19.25	19.25	28.81
Finance lease liabilities due within 1 year	1.53	0.85	1.69
Other current liabilities	2.99	4.79	3.58
Total current liabilities	473.22	509.42	457.95
Non-current liabilities			
Long-term loans - from banks	25.57	44.81	64.06
Liabilities under finance leases	3.92	0.65	1.50
Provision for long-term benefits of employee	15.77	11.44	7.19
Total Non-current liabilities	45.26	56.90	72.75
Total liabilities	518.48	566.32	530.70
Shareholders' equity			
Issued and paid-up share capital			
588,964,618 ordinary shares with a par value of 1 THB	588.96	588.96	587.90
Capital surplus	110.33	110.33	109.54
Reserved capital from share-based payment	4.87	4.87	5.23
Retained earnings			
Appropriated, legal reserve	8.90	7.70	6.30
Unappropriated	28.76	26.60	25.80
Total Shareholders' Equity	741.82	738.46	734.77
Total liabilities and shareholders' equity	1,260.30	1,304.78	1,265.47

Statement of Comprehensive Income	2019	2018	2017
Revenue			
Sales and service revenue	1,049.55	1,127.68	1,052.99
Other revenue	9.02	8.08	7.54
Total revenue	1,058.57	1,135.76	1,060.53
Expenses			
Cost of sales and services	861.01	951.00	882.15
Sales and services expenses	80.65	78.62	78.16
Administrative expenses	77.78	67.85	68.24
Total expenses	1,019.44	1,097.47	1,028.54
Profit (loss) before finance cost and income tax	39.13	38.28	31.98
Financial expenses	(13.40)	(13.27)	(10.77)
Profit (loss) before income tax	25.73	25.01	21.21
Corporate Income Tax	2.21	(1.08)	(3.24)
Profit (loss) for the year	27.94	23.93	17.97
Other comprehensive income for the year	(1.02)	(1.15)	(1.94)
Total comprehensive income	26.92	22.78	16.03
Profit (loss) per share	0.047	0.041	0.031

Cash flow statement	2019	2018	2017
Net profit (loss) before tax	25.73	25.01	21.21
Net cash received (used in) from operating activities	94.27	16.34	25.89
Net cash received (used in) from investing activities	(43.35)	(25.49)	(88.95)
Net cash received (used in) from funding	(48.38)	9.53	58.65
Net increase (decrease) in cash and cash equivalents	2.54	0.38	(4.41)
Cash and cash equivalents at the beginning of the year	7.22	6.84	11.25
Cash and cash equivalents at the end of the year	9.76	7.22	6.84

Significant Financial Ratios (Consolidated Financial Statements) for the years 2019 - 2017

Financial ratio	2019	2018	2017
<u>Liquidity ratio</u>			
Liquidity ratio (times)	1.09	1.10	1.08
Quick ratio (times)	0.51	0.48	0.51
Cash from operation ratio (time)	0.19	0.03	0.06
Account receivable turnover (time)	4.51	4.91	5.06
Collection days (day(s))	79.86	73.37	71.21
Inventory turnover (time)	6.78	7.37	9.41
Average number of days sales (da(s))	53.07	48.87	38.26
Account payable turnover (time)	6.26	5.48	5.72
Payment days (day(s))	57.46	65.73	62.93
Cash cycle (day)	75.46	56.51	46.55
<u>Profitability Ratios</u>			
Gross Profit Margin (%)	17.96	15.67	16.22
Operating profit margin (%)	2.87	2.68	2.32
Other profit margins (%)	0.85	0.71	0.71
Cash ratio to profitability (%)	313.08	54.09	105.90
Net profit margin (%)	2.64	2.01	1.51
Return on Equity (%) ROE	3.78	3.25	2.45
<u>Efficiency Ratios</u>			
Return on Assets ROA (%)	2.18	1.86	1.50
Return on Fixed Assets (ROFA) (%)	11.69	10.47	9.63
Asset rotation rate (time)	0.83	0.88	0.89
<u>Financial Policy Analysis Ratio</u>			
Debt to equity ratio (time)	0.70	0.77	0.72
Interest payment ratio (time)	7.87	2.31	3.70
Commitment ability payment ratio (time)	1.08	0.21	0.14
Dividend payout ratio (%)	84.32	98.44	114.51

14. Management Discussion and Analysis

1. Overview of business history and significant developments

The Group has classified business types, based on 5 products as followings:

Black and white: The product is widely used consistently among various customer bases. The Company has chosen advanced technology from Europe, resulting in unique production with capacity for 2,000 tons of white and 15,000 of black color per year. According to the production and distribution of black and white, the Group generated 48% of its revenue in 2019, which increased from 41% 2018, the previous year.

Fillers: are our main products which are recognized for standard and quality, being widely used in large fabrication in different thicknesses, manufacturing of packaging, manufacturing of rolled pipe and various profile preparations. In addition to quality, fillers are also used to enhance production efficiency while also reducing the cost. The group has selected raw materials with a unique and premium quality, plus the most advanced machine from the USA which can generate 16,000 tons of fillers per year. Production turnover and sale volume of fillers represented 20% of total income in 2019 and decrease from 26% of total income in 2018.

Color Masterbatches: are used among specific industries where the majority of customers are those who manufacture packaging that demand a variety of color properties. The design and production process, and quality control of color masterbatches are complex; the cost of production is considerably higher compared to other product types. The Company can produce 1,200 tons of color masterbatches per year. The production and sale of these products generated 12% of total income in 2019 and increased from 11% from total income in 2018.

Additive Masterbatches: The design, production process and quality control of additive masterbatches, compared to color masterbatches, are less complex. Our main customers are manufacturers of specific products which need different properties. The Company can produce 3,000 tons of color masterbatches per year. The production and sale of these products generated 12% of total income in 2019, a slightly increase from 11% of total income in 2018.

Other product type, including raw materials and services: The other product type offers advise and adds value to the work of our customers in response to the imbalance between the production supply and sale volume. The production expansion increases the free available capacity, which can be converted into several work processes such as grinding - degrading to minimize the size of raw materials, sales of surplus quantities of raw materials during fluctuations in the market. Revenue from this business type accounted for 9% of total income in 2019, a slightly decrease from 11% in 2018.

Major changes in the past year

Upon resolution of the board, in accordance with the criteria set forth, major changes in 2019 were published in the public domain through the Stock Exchange of Thailand as well as in notes to financial statement. Major changes of Salee Color are summarized.

On 5 April, 2019 The Labor Protection Act (No. 7) B.E. 2562, announced in the Government Gazette, which specifies additional compensation rates for employers who terminate employment for employees who have worked continuously for more than 20 years, have the right to receive compensation no less than Final wage rate 400 days, the law will come into effect from May 5, 2019 onwards. the above change is considered a modification of the plan for post-employment benefit plans. And affecting the group of companies the liability for long-term employee benefits increased by 2.0 million baht (only the company: 1.6 million baht). The Group recorded the impact of the change. Past service costs are recognized as expenses immediately in the current year's profit and loss.

New Financial Reporting Standards

(a) Financial reporting standards that became effective in the current year

During the year, the group have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding international financial reporting standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the group's financial statements.

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7

Financial Instruments: Disclosures

TFRS 9

Financial Instruments

Accounting standard:

TAS 32

Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16

Hedges of a Net Investment in a Foreign Operation

TFRIC 19

Extinguishing Financial Liabilities with Equity Instruments.

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related

to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

Operating result and profitability

Revenue

In 2019 the group had total revenue of 1,059 million Baht consisting of sales of good and services 1,050 million Baht and other 9 million Baht, decrease of 77 million Baht or 7% from 2018. The variation in revenue from sales of goods are as follows:

Black and white masterbatch represented revenue of 501 million Baht, or 48% of total income in 2019, an increase of 9% from previous year as a result of market share expansion thanks to the growth of demand in domestic and foreign market.

Filler generated revenue of 209 million Baht, representing 20% of total income in 2019, a decrease of 30% from 2018. due to the consumption of consumers decreased while also starting to compete with foreign competitors. Bring low-grade products to compete for market share.

Color masterbatch had revenue of 125 million Baht or 12% of total income in 2019, decrease of 5% from 2018 as a result of purchasing power in the market is shrinking and there are more competitors in the market.

Additive masterbatch had revenue of 123 million Baht, representing 12% of total income in 2019, an increase of 3% from 2018 the result of feedback on quality development and the use of masterbatch in the growing number of plastic resin manufacturers and the company is focusing on the development of more use of this type in the film and packaging market.

Other products plus raw materials and services yielded 91 million Baht or 9% of total income in 2019, decrease of 23% from 2018 as a result of our business development in export sector coupled with continued order.

Other revenue was 9 million Baht in 2019, is increase of 12% from 2018 as most of income is from the sale of scrap materials.

Expenses

The group's operating result of 2019 generated gross profit of 189 million Baht, representing 18% in sales of good and services increase 12% from 2018 or 2% is equal to sales of goods and administrative expense to 158 million Baht increase 12 million Baht in 2018 or increase 8%

The cost of products from total production in 2019 amounted to 861 million Baht, an decrease of 90 million Baht from 951 million Baht in 2018, decrease 9% from sales volume and revenue generated from the business are classified by product type as follows.

White and black masterbatch average cost of production accounted 82% of sale value, a decrease of 4% from 86% in 2018 by cause of price escalation while the product price as well as sale volume were increased by 31%.

Filler average cost of production accounted 83% of sale value equal to the average cost per salescost per sales in 2018 by sales volume decreased by 31%.

Color masterbatch average cost of production represented 82% of sales value, decrease by 5% from 87% in 2018. Sales volume decreased by 7%

Additives masterbatch average cost of production accounted for 77% of sales value, an increased by 6% in 2018 while sale quantity increased to 6% from the development of applications in the packaging market.

Other products plus raw materials and services average cost of production accounted 85% of sale value decrease 5% of sales value which is equal to the average cost per sales 90% in 2018.

Financial expenses

The total borrowing amount of the company increased from 355 million Baht in 2018 to 345 million Baht at the end of 2019, which decreased by 10 million Baht due to the Company having to pay the long-term loan according to normal part to another and during the year, the Company obtained additional short-term loans for use as working capital causing the Company to pay interest increased to 13.4 million Baht, an increase of 1 million Baht from the original 13.3 million Baht in 2018, representing an increase of 1% from last year.

Net profit

In 2019, the group generated a net profit of 27 million Baht, representing 2.5% of total income. Comparing to year 2018, the profit showed a drop to 4 million Baht or 18% result of the group's revenue and even though the prices of certain types of raw materials, and the Company group also trying to control the expense not to increase, thus making the profit higher.

Property management capabilities

Total assets of the group increase by 45 million Baht, from 1,305 million Baht as at 31 December 2018, to 1,260 million Baht as at 31 December 2019 due to the increase of trade receivables and inventory which followed property, plant and equipment decreased from depreciation.

Total asset turnover of the group in year 2018 was 0.83 times, decrease comparing to 2018 at 0.88 thanks to the more efficient asset management.

Trade receivables

As at 31 December 2019, the group's trade and other receivables were 231 million Baht, and decrease of 2% from 235 million as at 31 December 2018. from increased sales.

The group's average debt collection period in 2019 was approximately 80 days, which was equivalent to that 73 days increased from some receivables totaling approximately 6 million baht, which is very overdue, which the company has tried to closely monitor,

The group has neither debt which overdue over 12 months nor allowance for doubtful debt. The allowance for doubtful debt is set in full amount when receivable is over 12 months overdue. In addition to legal procedures set forth for the outstanding debt, the Company also adjusts credit control system to be more efficient as to prevent the doubtful accounts that could occur in the future.

Inventory

As of 31 December 2019, the Company group has been using an inventory excluding raw materials and goods in transit of the amount, 110 million Baht and 114 million Baht in 2018.

The Company group has 53 days to extend the period for the sale of goods, which has been extended from a selling period for average goods in 2018 that accounted for 4 days. This is as a result of a production cost reduction policy which relies on continuous production that prevents loss and gains a large amount of goods. This policy aims to improve the ability to negotiate the cost of raw materials and provide capacity to take purchase orders from existing customers more efficiently and prevent a shortage of raw materials as well.

Property, building and equipment, and intangible fixed asset

In 2019, the Company group possessed property, building and equipment, and intangible assets (including deposit of machines) that accounted for an average cost of 728 million Baht, an decrease of 6 million Baht from the previous 734 million Baht in 2018. This was as a result of the construction company building additional goods' buildings and additional in-process machine installation. Therefore, the Company group's returns from fixed asset in 2019 reached 13%, which decreased by 1% compared to returns from tangible fixed asset in 2018 that reached 12%.

Accounts payable

In 2019, the Company group had an amount of accounts payable at 106 million Baht, which decreased to 62 million Baht from 168 million Baht in 2018, this was as a result of an increase in the Company's revenue, which to reduce purchases to control inventory.

Total liabilities

As of 31 December 2019, the Company group reached a total amount of liabilities of 518 million Baht, which was divided into current liabilities at 473 million Baht and non-current liabilities at 45 million Baht. This decreased 48 million Baht from total liabilities of 566 million Baht as a result of the Company group's decrease in loans for warehouse construction and machine investments. Considering D/E Ratio as of 31 December 2018, it was found that an increase in the above-mentioned capital caused an increase in the Company group D/E ratio at 0.70 time, which decreased up to 0.77 time as of 31 December 2018 and was in accordance with loan regulations with financial institutions.

Shareholder's equity

As of 31 December 2019, the Company's shareholders' equity reached 742 million Baht, which increased to 4 million Baht from 31 December 2018 when the shareholder ratios reached 738 million Baht. and from dividend payments to shareholders in the amount of 24 million Baht including the additional legal reserve of 1.2 million Baht.

2. Liquidity and sufficiency of the Company's capital

1. Source and usage of the capital

As of 31 December 2019, the Company group reached the current liquidity current liabilities ratios at 1.1 times, which are less than the previous ratios showing at 1.1 times. At the end of the previous year, as a result of the increase in accounts receivable and inventories from increased sales.

As of 31 December 2019, the Company group reached cash flow liquidity of 10 million Baht, Increase 3 million Baht from the previous year. Net cash from operating activities reached 94 million Baht with improved production capacity and the group also received net cash flow from 43 million Baht. And

the group also used net cash in financing activities of approximately 48 million baht from long-term loan payments by installments and dividend payments and interest.

2. Capital expenditure

In 2019, the Company invested more new machinery improvements to increase production capacity to meet the current sales volume.

3. Liquidity sufficiency

In the year 2019, the Company has invested in improving machinery to increase production efficiency by spending a little money but the Company has increased short-term loans for working capital for increasing sales and continuous production causing the inventories to rise causing the debt to equity ratio of the Group increased to 0.70 times, decreased from the previous year at 0.77 times the group can still maintain the opportunity to use the channel. Borrowing money for business expansion from loans from many financial institutions the Company has the remaining amount that does not include the amount of OD and LG is another number.

4. Capacity to gain additional capital

The Company group had reached an amount of loan limits with financial institutions that are not sufficient to support an expansion on business and/or additional investments of the Company group. Details were shown as follows:

Loan type	Due term	Unused credit (Million Baht)
P/N (Promissory Note)	None	158
L/C, T/R (Letter of Credit or Trust Receipt)	None	213
OD (Overdraft)	None	79
LG (Letter of Guarantee)	None	9
Total		459

5. Factors affecting Credit Rating

The Company group did not issue any instruments that required a credit rating offering.

6. Capacity to pay liabilities and acts in accordance with loan covenant and obligation

In 2019, the Company group issued the conditions to maintain D/E ratio with financial institutions at not over 3.00 times and debt service coverage ratio of not lower than 1.1 times. According to the operating results in 2019, the Company group was able to reduce D/E Ratio to remain at 0.70 time with debt service coverage ratio at 2.8 times. The Company qualifications were thus in accordance with the conditions as agreed in terms of loan transactions with those financial institutions.

Liabilities obligations and off-balance sheet arrangements

As of 31 December 2019, the Company group had faced liabilities obligations according to details disclosed in the financial statement 2019 in the financial statement remarks no. 15: long-term loans, no. 16: liabilities from financial lease, no. 17: long-term benefits reserved for employees, and no.26: commitments and contingent liabilities.

7. Factors affecting the future operation

Currently, most the factors that affect the company's operations Direct future significantly Are all external factors that are beyond the control of Due to the global economic slowdown continues Including new epidemic factors, uncontrollable Covid-19 May affect the rate of growth of gross domestic product (GDP) and cause potential customers and investors considering starting the new projects or segment expansions a delay in decision making according such above-mentioned conditions. Apart from these economic factors, cost volatility due to volatile crude and petro-chemical prices affects an imbalance between demand and supply levels.

Increase in the overall production capacity from this new factory construction allowed the Company group to manufacture goods at 45,000 tons/ year. The calculation revealed that this capacity increase will affect an average reduction in production cost and expenses to 10-15% and up to 25% in some product segments. In this regard, the Company has to plan for targeted full-stream productivity, while cost reduction will be considered in parallel with effectiveness enhancement of every working process in the whole organization. In 2019, the Company was able to increase production ratio up to 60% of the whole productivity.

However, the Company group tried to reduce risks from those factors by markets' distribution, increase in regional and overseas export ratio in order to enhance productivity and create full-stream machine functionality. This also helps reducing cost in production and empowering negotiation for various raw materials' provision together with opportunities to gain more profits to develop production technologies and select machines for more productivity in the future that will enhance competitiveness in both medium- and long-term period.



Profile and Position of the Directors

Data 31 December 2019

General Somatat Attanan

Chairman of the Board of Directors

Audit Committee

Independent Director

Date of Birth	May 5, 1944	
Age	75 year	
Nationality	Thai	
Address	99/9 Sukhothai Rd., Dusit, Dusit, Bangkok ,10300	
Date of taking directorship	Since August 25,2008	
Number of terms which has been the company's Director	11 Years	
Board of Directors meeting attendance in 2019	Board of Director	Audit Committee
	4 / 4 Times	4 / 4 Times
Shareholding in the company	- None	
Being a director / Executive in other businesses that may cause conflicts of interest to the company	- None	
Education	- Bachelor of Science Chulachomklao Royal Military Academy - The National Defence College (NDC)	
Training (Thai Institute of Directors Association (IOD))	- Director Certification Program (DCP) 2007	
Working Experiences	- Board of Director of Nava Nakorn Public Co.,Ltd. - Retired Government office Department of Defense	
Positions in other listed companies	- Board of Director of Nava nakorn Public Co., Ltd.	
Positions in other non-listed companies	- None	



Profile and Position of the Directors

Data 31 December 2019

Mr. Suchart Chivapornthip

Vice Chairman of the Board

Nomination and Remuneration Committee

Date of Birth	February 6, 1951	
Age	68 years.	
Nationality	Thai	
Address	22 Soi Sukhumvit 42, Sukhumvit Road , Prakanong, Klongteoy, Bangkok	
Date of taking directorship	August 25, 2008	
Number of terms which has been the company's Director	11 years.	
Board of Directors meeting attendance in 2019	Board of Director	Nomination and Remuneration Committee
	4/4 Times.	1/1 Times.
Proportion of shareholding in the company	Common Stock 882,357 shares held equal to 0.15%	
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.	
Education	High School	
Training (Thai Institute of Directors Association (IOD))	Director Accreditation Program (DAP) 2004	
Working Experiences	- Chairman of Board of Salee Industry PCL. VIV Interchem Co., LTD. Vita Co., LTD. Salee Printing PCL. Salee Engineering Co., LTD. - Director VIV Holding Co., LTD. Favortrade Co., LTD. Sanyo Kasei Thailand Co., LTD. FURUTAKA VIV THAILAND Co., LTD.	
Positions in other listed companies	- Chairman of Board of Salee printing PCL. - Director of Salee Industry PCL.	
Positions in other non-listed companies	- Chairman of Board of VIV Interchem Co., LTD. Vita Co., LTD. Salee Engineering Co., LTD. Salee CFT Thailand Co., LTD. - Director VIV Holding Co., LTD. Favortrade Co., LTD. Sanyo Kasei Thailand Co., LTD. FURUTAKA VIV THAILAND Co., LTD.	



Profile and Position of the Directors

Data 31 December 2019

Mr. Rach Thongvanit

Director

Date of Birth	May 4, 1953	
Age	66 years	
Nationality	Thai	
Address	6 Soi Krungthep Kreetha 8 Junction 5 Hua Mak Subdistrict, Bang Kapi District, Bangkok	
Date of taking directorship	August 25, 2008	
Number of terms which has been the company's Director	11 years	
Board of Directors meeting attendance in 2019	Board of Director	Executive Committee
	4 / 4 Times	8/8 Times
Proportion of shareholding in the company	Director	Spouse and minor child
	Common Stock 445,257 shares held equal to 0.08%	Common Stock 2,100,000 shares held equal to 0.36%
Being a director / Executive in other businesses that may cause conflicts of interest to the company	- None	
Education	- Bachelor of Business Administration Assumption University.	
Training (Thai Institute of Directors Association (IOD))	- Director Certification Program (DCP), Class 69, Year 2008	
Working Experiences	- Managing Director / Star Color Co., Ltd. - Managing Director / Poloymerit Asia Co., Ltd. - Managing Director / Diverst Chemical Co., Ltd.	
Positions in other listed companies	- None	
Positions in other non-listed companies	- Managing Director / Poloymerit Asia Co., Ltd. - Director / Diverst Chemical Co., Ltd. - Director / Composite Asia Co., Ltd.	



Profile and Position of the Directors

Data 31 December 2019

Mr. Peerapun Chivapornthip

Managing Director

Date of Birth	January 2, 1981	
Age	38 years.	
Nationality	Thai	
Address	3 Soi Pattanakarn 65 Junction 2-1-2 Prawet District, Bangkok.	
Date of taking directorship	November 14, 2018	
Number of terms which has been the company's Director	1 years.	
Board of Directors meeting attendance in 2019	Board of Director	Executive Committee
	4/4 Times.	8/8 Times
Proportion of shareholding in the company	Director	Spouse and minor child
	Common Stock 445,257 shares held equal to 0.08%	- None -
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.	
Education	- Master's Degree, University of Technology Sydney - Bachelor of Economics, Bangkok University	
Training (Thai Institute of Directors Association (IOD))	- Company Secretary Program (CSP) 2008 - Director Accreditation Program (DAP) 2016	
Working Experiences	- Director of Business and Development - Deputy Managing Director	
Positions in other listed companies	None.	
Positions in other non-listed companies	- Director of Poly merit Asia Co., LTD. - Director of Composit Asia Co., LTD.	
Training of Director	- ISP No. 117 The Institute of Security Psychology 2017 - Advance retail management 2019	



Profile and Position of the Directors

Data 31 December 2019

Mr. Rachan Kaunha

Director

Date of Birth	March 20, 1962	
Age	57 years.	
Nationality	Thai	
Address	99/119 The Exclusive Soi On-nut 74/3-1 Prawet District, Bangkok	
Date of taking directorship	April 22, 2011	
Number of terms which has been the company's Director	8 years.	
Board of Directors meeting attendance in 2019	Board of Director	Executive Committee
	4/4 Times.	8/8 Times.
Proportion of shareholding in the company	Common Stock 38,679 Share held equal to 0.01%	
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.	
Education	- Bachelor of Business Administration (Managerial Accounting) Ramkhumhaeng University.	
Training (Thai Institute of Directors Association (IOD))	Director Accreditation Program (DAP) 2011	
Working Experiences	- Accountant Charoen Pokphand Foods PCL. - Accounting Manager Shinawatra Paging Co., LTD. - Finance and Accounting T.O.A. Chemical Industry Co., LTD.	
Positions in other listed companies	None.	
Positions in other non-listed companies	- Director of Poly merit Asia Co., LTD. - Director of Composit Asia Co., LTD.	
Training of Director	Transfer Pricing 2019	



Profile and Position of the Directors

Data 31 December 2019

Mr. Thanetphon Mongkolrat

Director

Date of Birth	July 23, 1949	
Age	70 years.	
Nationality	Thai	
Address	8/215 Setthasiri, soi Krungthep Kreetha 7 junction 4, Huamak, Bangkapi District, Bangkok	
Date of taking directorship	August 25, 2008	
Number of terms which has been the company's Director	11 years.	
Board of Directors meeting attendance in 2019	Board of Director	
	4/4 Times.	
Proportion of shareholding in the company	Director	Spouse
	Common Stock 3,613,257 shares held equal to 0.61%	Common Stock 1,700,000 shares held equal to 0.29%
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.	
Education	- Kitti Business Administration Technological College	
Training (Thai Institute of Directors Association (IOD))	- Director Accreditation Program (DAP) 2008	
Working Experiences	- Managing Director of Chemical Myanmar Co., LTD.	
	Salee Colour PCL.	
	- Director of Poly merit Asia Co., LTD.	
Positions in other listed companies	None.	
Positions in other non-listed companies	None.	
Training of Director	- MINI MBA (NIDA) - SEP (The Senior Executive Program) Sasin Graduate Institute of Business Administration of Chulalongkorn University	



Profile and Position of the Directors

Data 31 December 2019

Mr. Chanchai Asawakarn

Director

Date of Birth	October 1, 1967
Age	52 years.
Nationality	Thai.
Address	22 Soi Sukhumvit 42, Sukhumvit Road , Prakanong, Klongteoy, Bangkok.
Date of taking directorship	Since August 25, 2008.
Number of terms which has been the company's Director	11 years.
Board of Directors meeting attendance in 2019	Board of Director 4/4 Times.
Shareholding in the company	Common Stock 311,679 shares held equal to 0.05%
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.
Education	- Master of Business Administration Indiana University of Pennsylvania, USA - Bachelor of Business Administration University of the Thai Chamber of Commerce
Training (Thai Institute of Directors Association (IOD))	- Director Accreditation Program (DAP) 2008
Working Experiences	- Managing Director of Vita Co., LTD. VIV Interchem Co., LTD. Vita Nutrition Co., LTD. - Director of THREEBOND VIV SALES THAILAND Co., LTD. VIV Holding Co., LTD. Salee Engineering Co., LTD. FURUTAKA VIV THAILAND Co., LTD. NARAK LAND Co., LTD. VITA BARENTZ Co., LTD.
Positions in other listed companies	None.
Positions in other non-listed companies	- Managing Director of Vita Co., LTD. VIV Interchem Co., LTD. Vita Nutrition Co., LTD. - Director of THREEBOND VIV SALES THAILAND Co., LTD. VIV Holding Co., LTD.

	Salee Engineering Co., LTD. FURUTAKA VIV THAILAND Co., LTD. NARAK LAND Co., LTD
Training of Director	- The National Defence College (NDC)



Profile and Position of the Directors

Data 31 December 2019

Pol. Lt. Gen. Dr. Rapheepat Palawong

Chairman of the Audit Committee

Chairman of the Nomination and Remuneration
Committee

Independent Director

Date of Birth	August 19,1951		
Age	68 years.		
Nationality	Thai		
Address	13 Soi 53 Rama 3 Rd. Bangpongpang Yannawa, Bangkok, 10120		
Date of taking directorship	Since August 25, 2008		
Number of terms which has been the company's Director	10 years.		
In case having / without interest in the agenda proposed in the shareholders' meeting in 2019	without interest in the agenda.		
Board of Directors meeting attendance in 2019	Board of Director	Audit Committee	Nomination and Remuneration Committee
	4/4 Times.	4/4 Times.	1/1 Times.
Proportion of shareholding in the company	Common Stock 200,366 shares held equal to 0.03%		
Being a director / Executive in other businesses that may cause conflicts of interest to the company	None.		
Education	- Doctor of Philosophy (Ph.D.) Marketing, Siam University. - Master of Arts (M.A.), Kasetsart University. - Bachelor of Public Administration (B.PA.), Royal Police Cadet Academy. - The National Defence College (NDC)		
Training (Thai Institute of Directors Association (IOD)	- Director Certification Program (DCP) 2008		
Working Experiences	- Assistant Commissioner General, Royal Thai Police Headquarters - Chairman of subcommittee Agricultural Land Reform office, Ministry of Agriculture and Cooperatives		

	- Advisor to the Minister Agriculture and Cooperatives, Ministry of Agriculture and Cooperatives. - Advisor to the Inspector General, Office of Inspector General. - Subcommittee to the office of the Commission about promoting. ethical and moral development, Royal Thai Police Headquarters.
Positions in other listed companies	None
Positions in other non-listed companies	- Chairman of Gearfoundation. - Chairman of AMATA Industrial Estate Traffic Management Committee. - Consultation MRT Blue Line Extension Project. - Expert of SEC / Election Commission.



Profile and Position of the Directors

Data 31 December 2019

Miss Suwannee Limppanawongsaen

Audit Committee

Independent Director

Member of the Nomination and Remuneration

Date of Birth	October 25,1965		
Age	54 years.		
Nationality	Thai		
Address	179 Bangkok City Tower Floor 25-26,29 Sathron Road Thung MahaMek District Bangkok.		
Date of taking directorship	August 25, 2008		
Number of terms which has been the company's Director	11 years.		
Board of Directors meeting attendance in 2019	Board of Director	Audit Committee	Nomination and Remuneration Committee
	4 / 4 Times	4 / 4 Times	1 / 1 Times
Proportion of shareholding in the company of 31 December, 2019	Common Stock 211,600 shares held equal to 0.04%		
Being a director / Executive in other businesses that may cause conflicts of interest to the company	- None		
Education	- Master of Business Administration Thammasat University		
Training (Thai Institute of Directors Association (IOD))	- Director Accreditation Program (DAP), Class 75, 2008 - Strategic Financial Leadership Program, 2018		
Working Experiences	- Director and Deputy Managing Director Trinity Securities Co., Ltd. - Secretary of the Board of Directors / Company Trinity Wattana PLC. - Director / Asset Back Holding Co., Ltd. - Director / Conduit Management Services, Ltd.		
Positions in other listed companies	- Secretary of the Board of Directors / Company Trinity Wattana PLC.		
Positions in other non-listed companies	- Director and Deputy Managing Director / Trinity Securities Co., Ltd. - Director / Asset Back Holding Co., Ltd. - Director / conduit Management Services, Ltd. - Director / Trinity Intelligence Plus Co., Ltd. - Director / Trimoney Holding Co., Ltd.		
Training of Director	- Strategic Financial Leadership Program 2018		